

LIFE COMMUNITY SERVICES SOCIETY
(ROS RefNo. UENS96SS0100H)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2016

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Baker Tilly TFW LLP
Chartered Accountants of Singapore

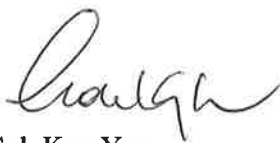
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LIFE COMMUNITY SERVICES SOCIETY
(Registered in Singapore under the Societies Act)

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 21 are properly drawn up in accordance with the Singapore Societies Act, Singapore Charities Act and Singapore Financial Reporting Standards so as to present fairly, in all material respects the financial position of the Society as at 31 March 2016, 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,



Goh Kng Yan
Chairman

24 June 2016



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 Financial Statements

We have audited the accompanying financial statements of Life Community Services Society (the "Society") as set out on pages 4 to 21, which comprise the balance sheet as at 31 March 2016, 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 Singapore Societies Act (the "Societies Act"), Singapore Charities Act (the "Charities Act") and Singapore Financial Reporting Standards, 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.

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 financial position of the Society as at 31 March 2016, and the financial performance, 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 2016 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 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

24 June 2016

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

STATEMENT OF COMPREHENSIVE INCOME
For the financial year ended 31 March 2016

	Unrestricted Income Funds	Fair Value Reserve	Restricted Funds	Total 2016	2015
Note	\$	\$	\$	\$	\$ (Restated)
Income					
Student care fee assistance	224,528	—	—	224,528	264,762
Government subvention	323,450	—	536,839	860,289	330,202
Donations and funding	828,075	—	520,011	1,348,086	1,268,276
Programme fees	1,110,975	—	210	1,111,185	1,078,501
Interest income	30,059	—	—	30,059	21,735
Amortisation of capital grant	74,884	—	9,260	84,144	85,211
Wages credit, special employment credit and others	125,168	—	30,817	155,985	100,554
Total income	2,717,139	—	1,097,137	3,814,276	3,149,241
Operating expenses					
Depreciation	115,378	—	11,589	126,967	103,197
Fundraising expenses	60,322	—	—	60,322	230,852
Rental expenses	43,860	—	41,938	85,798	85,935
Staff costs	1,104,642	—	864,774	1,969,416	1,842,460
Other operating expenses	405,797	—	119,794	525,591	383,775
Total expenditure	1,729,999	—	1,038,095	2,768,094	2,646,219
Surplus for the year	987,140	—	59,042	1,046,182	503,022
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	—	16,064	—	16,064	—
Net surplus and total comprehensive income for the year	987,140	16,064	59,042	1,062,246	503,022

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 2016

	Note	31.3.2016 \$	31.3.2015 \$ (Restated)
Non-current asset			
Property, plant and equipment	5	393,855	279,885
Current assets			
Available-for-sale financial assets	6	226,451	210,387
Sundry receivables	7	311,105	305,169
Fixed deposits	8	2,479,397	2,325,548
Cash and bank balances		2,309,612	878,751
		5,326,565	3,719,855
Total assets		5,720,420	3,999,740
Non-current liability			
Deferred capital grant	9	230,241	164,650
Current liabilities			
Deferred capital grant	9	61,204	27,608
Trade payables		2,384	—
Sundry payables	10	926,756	369,893
		990,344	397,501
Total liabilities		1,220,585	562,151
Net assets		4,499,835	3,437,589
Funds			
Unrestricted Income Funds	11	4,308,754	3,475,177
<i>Restricted Funds</i>			
- Friends of Children Fund	12	—	(46,851)
- Friends of Youth Fund	12	163,409	—
- Life Student Care Benevolent Fund	12	11,608	9,263
- MightyKids Families & Community Fund	12	—	—
- EduGrow Fund	12	—	—
Fair Value Reserve		16,064	—
		4,499,835	3,437,589

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 2016

	Unrestricted Income Funds \$	Fair Value Reserve \$	Deferred Capital Fund \$	Restricted Funds					Total \$	
				Friends of Children Fund \$	Friends of Youth Fund \$	Life Student Care Benevolent Fund \$	MightyKids Families & Community Fund \$	Care & Share Fund \$		EduGrow Fund \$
Balance at 1 April 2014	2,897,678	-	-	(57,164)	65,781	12,044	16,228	-	-	2,934,567
Surplus/(deficit) and total comprehensive income/(loss) for the year, as previously stated	806,050	-	(46,851)	(90,077)	(79,557)	(2,781)	(130,613)	210,748	-	666,919
Prior year adjustment (Note 18)	46,851	-	46,851	(46,851)	-	-	-	(210,748)	-	(163,897)
Surplus/(deficit) and total comprehensive income/(loss) for the year, as restated	852,901	-	-	(136,928)	(79,557)	(2,781)	(130,613)	-	-	503,022
Transfer of funds as previously stated	(275,402)	-	200,748	147,241	13,776	-	114,385	(200,748)	-	-
Prior year adjustment (Note 18)	-	-	(200,748)	-	-	-	-	200,748	-	-
Transfer of funds, as restated	(275,402)	-	-	147,241	13,776	-	114,385	-	-	-
Balance at 31 March 2015, as restated	3,475,177	-	-	(46,851)	-	9,263	-	-	-	3,437,589
Surplus/(deficit) for the 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 comprehensive income/(loss) for the 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

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 2016

	2016 \$	2015 \$ (Restated)
Cash flows from operating activities		
Surplus for the financial year	1,046,182	503,022
Adjustments for:		
Amortisation of capital grant	(84,144)	(85,211)
Depreciation of property, plant and equipment	126,967	103,197
Interest income	(30,059)	(21,735)
Operating surplus before movements in working capital	1,058,946	499,273
Receivables	(5,936)	(66,380)
Payables	559,247	38,515
Net cash generated from operating activities	1,612,257	471,408
Cash flows from investing activities		
Purchases of property, plant and equipment	(240,937)	(167,778)
Interest received	30,059	21,735
Capital grant received for property, plant and equipment	183,331	200,748
Net cash (used in)/generated from investing activities	(27,547)	54,705
Net increase in cash and cash equivalents	1,584,710	526,113
Cash and cash equivalents at beginning of financial year	3,204,299	2,678,186
Cash and cash equivalents at end of financial year	4,789,009	3,204,299
Cash and cash equivalents comprise:		
Fixed deposits	2,479,397	2,325,548
Cash and bank balances	2,309,612	878,751
	4,789,009	3,204,299

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 2016

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, 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 2016 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, 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 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

	2016 \$	2015 \$
Salaries and bonuses	1,701,633	1,590,455
CPF and other contributions	248,537	219,126
Others	19,246	32,879
	<u>1,969,416</u>	<u>1,842,460</u>

Included in staff costs is an amount of \$132,400 (2015: \$120,400) and \$15,343 (2015: \$14,641) for remuneration and CPF contributions paid to key management personnel.

	2016	2015
<u>Key Management Remuneration</u>		
Number of staff in the following remuneration band:		
\$100,001 to \$150,000	<u>1</u>	<u>1</u>

4 Tax deductible receipts

The Society issued tax deductible receipts for donations received during the year amounting to \$1,063,510 (2015: \$773,386). This includes the funding received in advance at year-end of \$45,000 (2015: \$15,000).

5 Property, plant and equipment

	Office equipment \$	Furniture and fittings \$	Computers \$	Renovation \$	Motor vehicle \$	Musical instruments \$	Total \$
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
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

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

	2016	2015
	\$	\$
Funding and donation receivable	220,538	245,000
Fees receivables	47,717	28,130
Sundry deposits	21,921	22,911
Prepayments	20,929	9,128
	311,105	305,169

8 Fixed deposits

The fixed deposits bear interest at rates ranging from 0.70% to 2.10% (2015: 0.70% to 1.55%) per annum with maturity period ranging from 1 to 21 months (2015: 1 to 20 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 (Note 10) 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.

	2016	2015
	\$	\$ (Restated)
Grant received	571,000	387,669
Less: Accumulated amortisation	(279,555)	(195,411)
Balance as at 31 March	291,445	192,258
Representing:		
Within 1 year - current	61,204	27,608
Within 2 to 5 years - non-current	230,241	164,650
	291,445	192,258

10 Sundry payables

	2016 \$	2015 \$ (Restated)
Advance interest income	4,615	11,537
GST payable	21,681	20,195
Deferred income ^(a)	588,521	10,657
Funding received in advance	45,000	71,250
Overfunding from Ministry of Social and Family Development	4,477	3,457
Advance fees received	1,852	6,373
Student care deposits	97,497	91,097
Accrued operating expenses	162,972	155,186
Other payables	141	141
	926,756	369,893

^(a) Included in deferred income are grant received from Care and Share Matching Grant amounting to \$476,674 (2015: \$10,657). The following are movements of the Care and Share Matching Grant.

	2016 \$	2015 \$
Balance at 1 April	10,657	—
Grant received	1,162,294	262,706
Expenditure	(555,728)	(51,301)
Expenditure - utilise for purchases of property, plant and equipment transferred to Deferred capital grant (Note 9)	(140,549)	(200,748)
Balance at 31 March	476,674	10,657

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 2016. 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 Care and Share Matching Grant scheme and is subjected to the terms and conditions of the Agreement and the Operating Rules.

11 Unrestricted Income Funds

	2016	2015
	\$	\$ (Restated)
Balance as at 1 April	3,475,177	2,897,678
Surplus for the year	987,140	852,901
Transfer to Restricted Funds (Note 12)	(153,563)	(275,402)
Balance as at 31 March	<u>4,308,754</u>	<u>3,475,177</u>

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 \$
2016						
Balance as at 1 April 2015, as restated	(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 year	(25,597)	163,409	2,345	(81,115)	–	59,042
Transfer from Unrestricted Income Fund (Note 11)	72,448	–	–	81,115	–	153,563
Balance as at 31 March 2016	–	163,409	11,608	–	–	175,017

^(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 \$	Total \$
2015 (Restated)					
Balance as at 1 April 2014	(57,164)	65,781	12,044	16,228	36,889
Government subvention	117,431	50,327	–	108,931	276,689
Donations and funding	205,368	53,860	1,650	11,298	272,176
Miscellaneous income	16,338	4,178	–	4,760	25,276
Expenditure	(476,065)	(187,922)	(4,431)	(255,602)	(924,020)
Deficit for the year	(136,928)	(79,557)	(2,781)	(130,613)	(349,879)
Transfer from Unrestricted Income Fund (Note 11)	147,241	13,776	–	114,385	275,402
Balance as at 31 March 2015	(46,851)	–	9,263	–	(37,588)

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 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:

	2016 \$	2015 \$
Not later than one financial year	62,894	63,783
Later than one financial year but not later than five financial years	130,700	177,360

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:

	2016 \$	2015 \$
With related parties		
Storage expense	9,600	9,600
Other fees paid	1,200	1,200
Tax deductible donations received	69,289	79,760
With members of the Executive Council		
Tax deductible donations received	25,912	30,781

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:

	2016 \$	2015 \$
<i>Financial assets</i>		
Available-for-sale financial assets	226,451	210,387
Loan and receivables (including fixed deposits and cash and bank balances)	5,079,185	3,500,340
Total financial assets	5,305,636	3,710,727
<i>Financial liabilities</i>		
At amortised cost	267,471	249,881

(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.

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:

	2016	2015
	\$	\$
Past due less than 30 days	13,688	8,903
Past due 30 to 60 days	10,924	7,478
Past due over 60 days	17,865	11,449
	42,477	27,830

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 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 Prior year adjustment

In the previous financial year ended 31 March 2015, grant income from Care and Share Matching Grant was recognised as an income in Care and Share Fund when received. Similarly, the utilisation from Care and Share Matching Grant were recognised as expenditure in the Care and Share Fund. For utilisation for purchases of property, plant and equipment, the amount would be transferred from Care and Share Fund to Deferred Capital Fund.

During the financial year, the Society changed its accounting policy on the recognition of grant income for Care and Share Matching Grant. Grant received are currently recognised as a deferred income in sundry payables (Note 10). Upon utilisation of the grant related to income, it will be recognised as income in profit or loss of the respective programmes over the period necessary to match the related expenses for which the grants are intended to compensate. For utilisation of grants for purchases of property, plant and equipment, it will be 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.

Accordingly, the above mentioned reclassifications have been accounted for retrospectively and comparative figures restated.

18 Prior year adjustment (cont'd)

31 March 2015	As previously stated	Amount reclassified	As restated
	\$	\$	\$
<i>Statement of comprehensive income</i>			
Government subvention (total)	540,950	(210,748)	330,202
Amortisation of capital grant	38,360	46,851	85,211
Net surplus for Unrestricted Income Funds	806,050	46,851	852,901
Net deficit for Deferred Capital Fund	(46,851)	46,851	–
Net deficit for Restricted Income Funds	(92,280)	(257,599)	(349,879)
	666,919	(163,897)	503,022
<i>Balance sheet</i>			
Deferred capital grant (Non-current)	9,723	154,927	164,650
Deferred capital grant (Current)	28,638	(1,030)	27,608
Sundry payables	359,893	10,000	369,893
Restricted Funds - Care and Share Fund	10,000	(10,000)	–
Restricted Funds - Friends of Children Fund	–	(46,851)	(46,851)
Unrestricted Income Funds	3,428,326	46,851	3,475,177

The Society did not present three balance sheets in the financial statements as the prior year adjustments had no impact on balances as at 1 April 2015.

19 Authorisation of financial statements

The financial statements of the Society for the financial year ended 31 March 2016 were authorised for issue in accordance with a resolution of the Executive Council dated 24 June 2016.