

**LOVING HEART MULTI-SERVICE CENTRE
(JURONG)**

Registered No: T04SS0129D
(Registered under Society Act)

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2015**

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

GENERAL INFORMATION

Registered Office

Block 316 Jurong East Street 32
#01-279
Singapore 600316

Management Committee

The management committee in office at the date of this report are as follows:-

Dr. Chua Song Peck, BBM PBM	Immediate Past Chairman
Mr. Goh Cheng Tee, PBM	Chairman
Ms. Koh Chuey Keen, Jenny, PBM	Vice-Chairperson
Mr. Tan Lip Kwang, Kelvin, BBM PBM	Vice-Chairperson
Mrs. Rhama Sankaran	Secretary
Ms. Tay Siew Luan, Helen	Assistant Secretary
Mr. Tey Siang Lim, Gerald	Treasurer
Mr. Wong Cheow Heng	Assistant Treasurer
Dr. Lee Ngak Siang, PBM	Member
Dr. Lee Kheng Hock	Member
Ms. Chiang Ah Choo, PBM	Member
Mr. Tsu Chin Sun, Gary	Member
Mr. Tham Kine Thong	Member
Mr. Ong Ah Hai	Member
Mr. R. Kamalamohan	Member

Auditors

Singapore Assurance PAC
Public Accountants and Chartered Accountants
Singapore

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

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LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF THE MANAGEMENT COMMITTEE


The Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards, Charities Act, Chapter 37 (the "Charities Act") and Society Act, Chapter 311 (the "Society Act"). This responsibility includes:

- a) selecting and applying appropriate accounting policies; and
- b) making accounting estimates that are reasonable in the circumstances.

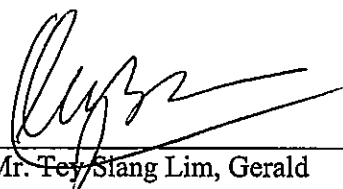
In our opinion, the accompanying financial statements are drawn up so as to give a true and fair view of the state of affairs of Loving Heart Multi -Service Centre (Jurong) (the "Centre") as at 31 March 2015 and of the financial results and cash flows for the financial year ended on that date in accordance with the Singapore Financial Reporting Standards, Society Act and Charities Act.

The Management Committee has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Management Committee



Mr. Goh Cheng Tee, PBM
Chairman



Mr. Tey Slang Lim, Gerald
Treasurer

Singapore
26 JUN 2015



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)**

Report on the Financial Statements

We have audited the accompanying financial statements of Loving Heart Multi-Service Centre (Jurong) (the "Centre"), which comprise the statement of financial position as at 31 March 2015 as set out on pages 4 to 20, and the statement of financial activities, statement of changes in fund and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Charities Act, Chapter 37 (the "Charities Act"), Society Act, Chapter 311 (the "Society Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the 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 auditors' 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 of financial statements that give a true and fair view 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 management, as well as evaluating the overall presentation of the financial statements.

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



**INDEPENDENT AUDITORS' REPORT
TO THE MEMBERS OF LOVING HEART MULTI-SERVICE CENTRE (JURONG)**
(Registered in the Republic of Singapore)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Society Act, Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Centre as at 31 March 2015 and the results, changes in fund and cash flows of the Centre for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion,

- (a) the accounting and other records required by the Charities Act to be kept by the Centre have been properly kept in accordance with the provisions of the Charities Act; and
- (b) the Fund-raising appeals held during the financial year have been carried out in accordance with regulation 6 of the Charities (Fund-raising appeals) Regulations 2007 issued under the Charities Act, Chapter 37 and proper accounts and other records have been kept of the Fund-raising appeals.

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 Centre as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Centre has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) regulations.

SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
26 JUN 2015

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 MARCH 2015

	<u>Note</u>	<u>2015</u> S\$	<u>2014</u> S\$
ASSETS			
Non-current asset			
Plant and equipment	(4)	12,849	10,362
Current assets			
Other receivable	(5)	5,753	4,621
Receivables	(6)	161,254	307,126
Fixed deposits	(7)	1,500,000	1,300,000
Cash and bank balances		657,304	570,381
		<u>2,324,311</u>	<u>2,182,128</u>
Total assets		<u><u>2,337,160</u></u>	<u><u>2,192,490</u></u>
ACCUMULATED FUNDS AND LIABILITY			
Accumulated funds			
Unrestricted fund		2,148,358	2,059,878
Restricted fund	(8)	91,143	31,523
		<u>2,239,501</u>	<u>2,091,401</u>
Current liability			
Accruals		97,659	101,089
Total accumulated funds and liability		<u><u>2,337,160</u></u>	<u><u>2,192,490</u></u>

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	← 2015 →			2014
	Unrestricted fund S\$	Restricted fund S\$	Total fund S\$	Total fund S\$
Income				
<i>Income from generating fund</i>				
Voluntary income				
- Non-tax exempt donations	43,550	-	43,550	49,931
- Tax exempt donation	258,923	-	257,923	388,406
	302,473	-	301,473	438,337
Activities for generating funds				
- Gala Charity Dinner income	370,514	-	371,514	400,902
- Pledge cards	173,271	-	173,271	202,832
	543,785	-	544,785	603,734
Grant income				
- Grant from Southwest CDC	-	-	-	85,500
- Jobs credit and special employment credit	19,353	-	19,353	1,709
- Grant for S.T.A.M.P programme	-	85,424	85,424	79,033
	19,353	85,424	104,777	166,242
<i>Other income</i>				
Interest income	10,190	-	10,190	31,929
Other income	8,649	-	8,649	9,512
	18,839	-	18,839	41,441
	884,450	85,424	969,874	1,249,754
<i>Costs from generating funds</i>				
Activities for generating funds				
- Audit fee for Walkathon	-	-	-	550
- Donation to schools	271,726	-	271,726	245,080
- Activities and related expenses	117,188	-	117,188	104,422
- S.T.A.M.P programme				
- Trainer/Mentors fees	-	-	-	8,585
- Tuitions fees	-	6,335	6,335	7,088
- Photography	-	5,860	5,860	3,060
- Sport activities	-	2,900	2,900	5,330
- Others	-	10,709	10,709	6,410
	388,914	25,804	414,718	380,525

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF FINANCIAL ACTIVITIES (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	← 2015 →			2014
	Unrestricted	Restricted	Total	Total
	<u>fund</u>	<u>fund</u>	<u>fund</u>	<u>fund</u>
	S\$	S\$	S\$	S\$
Expenditures				
Accounting fee	4,200	-	4,200	3,700
Audit fee				
- Prior year	400	-	400	-
- Current year	3,800	-	3,800	2,800
Bank charges	202	-	202	151
Cleaning services	6,879	-	6,879	6,041
CPF contributions	36,959	-	36,959	34,086
Depreciation of plant and equipment	5,143	-	5,143	30,076
Entertainment	1,884	-	1,884	927
Insurance	3,720	-	3,720	3,643
Licensing fee	250	-	250	466
Medical expenses	1,063	-	1,063	1,168
Newspaper and periodicals	490	-	490	523
Office rental	20,911	-	20,911	20,911
Postage and courier	1,143	-	1,143	830
Professional fee	931	-	931	-
Printing and stationery	17,970	-	17,970	9,482
Advertisement and recruitment expenses	2,042	-	2,042	3,983
Repairs and maintenance	4,053	-	4,053	2,941
Salaries and bonuses	266,012	-	266,012	253,275
Staff welfare	3,624	-	3,624	500
Sundry expenses	862	-	862	1,982
Telephone and fax	3,886	-	3,886	3,730
Temporary staff	-	-	-	598
Transportation expenses	4,633	-	4,633	5,536
Utilities	15,999	-	15,999	16,898
	<u>407,056</u>	<u>-</u>	<u>407,056</u>	<u>404,247</u>
Surplus for the financial year	<u>88,480</u>	<u>59,620</u>	<u>148,100</u>	<u>464,982</u>

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

**STATEMENT OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

	Unrestricted <u>fund</u> S\$	Restricted <u>fund</u> S\$	<u>Total</u> S\$
Balance at 1 April 2013	1,643,456	(17,037)	1,626,419
Surplus for the financial year	416,422	48,560	464,982
Balance at 31 March 2014	<u>2,059,878</u>	<u>31,523</u>	<u>2,091,401</u>
Surplus for the financial year	88,480	59,620	148,100
Balance at 31 March 2015	<u><u>2,148,358</u></u>	<u><u>91,143</u></u>	<u><u>2,239,501</u></u>

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

	<u>2015</u>	<u>2014</u>
	S\$	S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before taxation	148,100	464,982
Adjustments for :		
Interest income	(10,190)	(31,929)
Depreciation of plant and equipment	5,143	30,076
	<u>(5,047)</u>	<u>(1,853)</u>
Operating profit before working capital changes	143,053	463,129
<u>Changes in working capital</u>		
Other receivables	(1,132)	301
Receivables	145,872	(306,726)
Accruals	(3,430)	42,141
Net cash generated from operating activities	284,363	198,845
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(7,630)	(9,880)
Interest received	10,190	31,929
Cash generated from investing activities	2,560	22,049
Net increase in cash and cash equivalents	286,923	220,894
Cash and cash equivalents at beginning of the financial year	<u>1,870,381</u>	<u>1,649,487</u>
Cash and cash equivalents at end of the financial year (Note 9)	<u>2,157,304</u>	<u>1,870,381</u>

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

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

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.

The financial statements were authorised for issue as stated in the statement of the management committee.

1. GENERAL

Loving Heart Multi-Service Centre (Jurong) (the "Centre") is registered under Society Act, Chapter 311 and domiciled in the Republic of Singapore. The Centre is also a registered charity under the Charity Act, Chapter 37 and is an approved Institution of a Public Character.

The registered office is at Block 316 Jurong East Street 32, #01-279, Singapore 600316.

The principal activities of the Centre is to provide social and welfare services to families, elderly residents and any person living in the southwest CDC area. The Centre is a joint project between Jurong Central Citizen's Consultative Committee, PAP Community Foundation (Jurong Central), Thye Hua Kwan Moral Society, South West Community Development Council, Ministry of Community Development Youth and Sports (MCYS) and funded by private donors and organisations.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Charities Act, Chapter 37, Societies Act, Chapter 311 and Singapore Financial Reporting Standards.

2.2 Basis of measurement

The financial statements have been prepared on the historical cost basis except as otherwise described below.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar, which is the Centre's functional currency. All financial information is presented in Singapore Dollar.

2.4 Use of estimates and judgments

The preparation of financial statements in conformity with FRS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the financial year in which the estimates are revised and in any future periods affected.

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting date are retranslated to the functional currency at the exchange rate at that date.

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognised in profit or loss.

3.2 Financial instruments

(i) Non-derivative financial assets

The Centre initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Centre becomes a party to the contractual provisions of the instrument.

The Centre derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Centre is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Centre has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Centre classifies non-derivative financial assets into the loans and receivables category.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015**

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Financial instruments (cont'd)

(i) Non-derivative financial assets (cont'd)

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade and other receivables and cash and cash equivalents.

Cash and cash equivalents

Cash and cash equivalents comprise fixed deposits, cash on hand and at bank.

(ii) Non-derivative financial liabilities

The financial liabilities are recognised initially on the trade date at which the Centre becomes a party to the contractual provisions of the instrument.

The Centre derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Centre has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Centre classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise trade and other payables.

3.3 Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Plant and equipment (cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the asset. When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of plant and equipment.

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment, and is recognised net within other income/other expenses in profit or loss.

Subsequent costs

The cost of replacing a part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Centre, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value.

Depreciation is recognised in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of plant and equipment.

The estimated useful lives for the current and comparative years are as follows:

Office equipment	3 to 5 years
Furniture and fittings	5 years
Computers	3 years
Renovation	10 years
Other assets	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

3.4 Impairment

(i) *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) *Non-derivative financial assets (cont'd)*

Objective evidence that financial assets are impaired can include default or delinquency by a debtor, indications that a debtor or issuer will enter bankruptcy and economic conditions that correlate with defaults.

Loans and receivables

The Centre considers evidence of impairment for loans and receivables at a specific asset level. All individually significant loans and receivables are assessed for specific impairment.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

(ii) *Non-financial assets*

The carrying amounts of the Centre's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.5 Employee benefits

Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Centre has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

3.6 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Centre and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable, excluding discounts, rebates and sales taxes or duty. The following specific recognition criteria must also be met before revenue is recognised:

Donations are recognised as and when they are received.

Income from fund-raising projects are recognised when the amount received or fund committed to receive.

Interest income is recognised on time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

3.7 Cash grants

Cash grants received from the respective authorities are recognised as income upon receipt or the grant will be received.

3.8 Funds

Unrestricted funds are expendable at the discretion of the Centre's Management Committee in furtherance of the Centre's objects.

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.8 Funds (cont'd)

Income and expenditure relating to specific funds are accounted for directly in the funds to which they relate. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method suitable to this common expense. Assets and liabilities of the specific funds are pooled in the statement of financial position.

3.9 Operating leases

Where the Center is the lessee:

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.

3.10 Income tax

All registered charities will enjoy automatic income tax exemption without having the need to meet the 80% spending rule. They do not need to file income tax returns effective from the Year of Assessment 2009.

3.11 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are effective for annual periods beginning after 1 April 2014, and 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.

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

4. PLANT AND EQUIPMENT

	Office equipment S\$	Furniture and fittings S\$	Computers S\$	Renovation S\$	Other assets S\$	Total S\$
<u>Cost</u>						
Balance at 1/4/2013	25,027	18,347	23,453	251,396	1,282	319,505
Additions	1,400	8,480	-	-	-	9,880
Written off	(229)	-	(13,259)	-	-	(13,488)
Balance at 31/3/2014	26,198	26,827	10,194	251,396	1,282	315,897
Additions	568	7,062	-	-	-	7,630
Balance at 31/3/2015	26,766	33,889	10,194	251,396	1,282	323,527
<u>Accumulated Depreciation</u>						
Balance at 1/4/2013	22,217	16,310	23,413	226,258	749	288,947
Depreciation charge for the financial year	1,496	3,136	40	25,138	266	30,076
Written off	(229)	-	(13,259)	-	-	(13,488)
Balance at 31/3/2014	23,484	19,446	10,194	251,396	1,015	305,535
Depreciation charge for the financial year	1,641	3,235	-	-	267	5,143
Balance at 31/3/2015	25,125	22,681	10,194	251,396	1,282	310,678
<u>Net Carrying Amounts</u>						
Balance at 31/3/2014	2,714	7,381	-	-	267	10,362
Balance at 31/3/2015	1,641	11,208	-	-	-	12,849

LOVING HEART MULTI-SERVICE CENTRE (JURONG)
(Registered in the Republic of Singapore)

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2015

5. OTHER RECEIVABLE

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Deposits	4,028	4,028
Prepayments	1,725	593
	<u>5,753</u>	<u>4,621</u>

6. RECEIVABLES

Receivables represent committed funds receivable at the end of the reporting period.

7. FIXED DEPOSITS

Fixed deposits are placed with financial institutions and mature on different dates over varying periods within one month to 36 months (2014 – one month to 27 months) from the financial year end. The effective interest rate ranged between 0.75% and 1.75% (2014 – 0.75% and 1.75%) per annum.

8. RESTRICTED FUND

The restricted fund refers to the Sports, Tuition and Mentoring Programme, also known as S.T.A.M.P, has positively impacted the lives of many children at risk since its inception on 13 February 2006. The programme adopts a holistic approach by training and improving the students physically, academically and equipping them with moral values and life skills.

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents at the end of financial year comprise the following:

	<u>2015</u>	<u>2014</u>
	S\$	S\$
Fixed deposits	1,500,000	1,300,000
Cash and bank balances	657,304	570,381
	<u>2,157,304</u>	<u>1,870,381</u>

10. KEY MANAGEMENT PERSONNEL

None of the Management Committees received remuneration for their contribution.

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11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Centre has no formal risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. It has however established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the Management Committee.

Risk management is integral to the whole business of the Centre. The management continually monitors the Centre's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Centre's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Centre does not use hedge instruments.

The key financial risks include interest rate risk, credit risk and liquidity risk. The following provide details regarding the Centre's exposure to the risks and the objectives, policies and processes for the management of these risks.

11.1 Interest rate risk

The interest rate risk exposure is mainly arise from changes in floating interest rate. The Centre is not exposed to interest rate risk as it does not have interest-bearing assets or liabilities except for fixed deposits which has a fixed interest rate. Accordingly, sensitivity analysis is not disclosed.

11.2 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Centre's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and bank balances), the Centre minimises credit risk by dealing with high credit rating counterparties.

The Centre's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Centre trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the objective of reducing the Centre's exposure to bad debts to an insignificant level.

At reporting date, the carrying amounts of other receivables and cash and bank balances represent the Centre's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

11.3 Liquidity risk

Liquidity risk is the risk that the Centre will encounter difficulty in meeting financial obligations due to shortage of funds.

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11. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

11.3 Liquidity risk (cont'd)

To manage liquidity risk, the Centre monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from the bank. In assessing the funding facilities, the management reviews its working capital requirements regularly.

The undiscounted contractual cash flows of accruals are equivalent to their carrying amounts and are repayable within one year.

12. FINANCIAL INSTRUMENTS

The fair value of financial assets and liabilities is at the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value.

The carrying amounts of other receivables, receivables, fixed deposits, cash and bank balances and accruals are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

Financial instruments by category

The carrying amounts of financial instruments in each of the following categories are as follows:

	<u>2015</u>	<u>2014</u>
	S\$	S\$
FINANCIAL ASSETS		
Other receivables	4,028	4,028
Receivables	161,254	307,126
Fixed deposits	1,500,000	1,300,000
Cash and bank balances	657,304	570,381
	<u>2,322,586</u>	<u>2,181,535</u>
FINANCIAL LIABILITIES		
Trade payables	<u>97,659</u>	<u>101,089</u>

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13. FUND MANAGEMENT

The Centre objectives when managing its funds are to safeguard its ability to maintain adequate working capital to continue as going concern, to promote its objective to provide social and welfare services to families, elderly residents and any person living in the Southwest CDC area and these objectives remain unchanged from previous year.

The Centre is not subject to externally imposed funds requirements.