

**SOCIETY OF SHENG HONG
WELFARE SERVICES**

UEN No. T00SS0066C
(Registered in the Republic of Singapore)

For The Year Ended 31 March 2022

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: T00SS0066C)

(Registered in the Republic of Singapore)

Index to the Financial Statements

	Page
General Information	1
Statement by the Management Committee	3
Honorary Auditors' Report to the Management Committee	4
Independent Auditors' Report to the Members	5
Statement of Financial Position	8
Statement of Financial Activities	9
Statement of Cash Flows	10
Notes to the Financial Statements	11

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: T00SS0066C)

(Registered in the Republic of Singapore)

General Information

Management Committee

<i>Name</i>	<i>Date of appointment</i>	<i>Position Held</i>
Long Say Keng Adrian	11.09.2021	President
Soon Cheok Kah	28.06.2022	1 st Vice President
Goh Geok Choo	28.06.2022	Vice President
Ong Aii Ley	28.06.2022	Vice President
Tan Thiam Lye, BBM (L)	11.09.2021	Honorary Secretary
Tan Ee Tiong, BBM	11.09.2021	Assistant Secretary
Tan Eng Wat	11.09.2021	Treasurer
Davy Teng Swee Lim	11.09.2021	Assistant Treasurer
Ong Kuan, BBM	11.09.2021	Ordinary Member
Lim Tiam Teng Raymond, PBM	11.09.2021	Ordinary Member
Soong Kok Chee	11.09.2021	Ordinary Member
Ang Meng Joo	11.09.2021	Ordinary Member
Benjamin Tan Xianda	11.09.2021	Ordinary Member
Siew Kian Nam	11.09.2021	Ordinary Member
Ling Kin Huat, BBM	18.08.2011	Trustee
Tan Thiam Lye, BBM (L)	18.08.2011	Trustee
Soon Cheok Kah	14.02.2021	Trustee
Tan Chee Wee Aaron	31.08.2021	Honorary Auditor
Ang Kok Seng	31.08.2021	Honorary Auditor

Charity Status

Charity Registration No. : 1437
Charity Registration Date : 9 May 2000

IPC Status

UEN No. : T00SS0066C
IPC Period : 1 January 2022 to 31 December 2023
Central Fund : A member of NCSS

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: T00SS0066C)

(Registered in the Republic of Singapore)

General Information (continued)

Registered Office

15 Arumugam Road
Singapore 409960

Bankers

DBS Bank Ltd
Oversea-Chinese Banking Corporation Limited
Maybank Singapore Limited
Hong Leong Finance Limited
Bank of China Limited

Auditors

Teo Liang Chye PAC
Public Accountants and Chartered Accountants

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: T00SS0066C)

(Registered in the Republic of Singapore)

Statement by the Management Committee

We, Long Say Keng Adrian, Tan Thiam Lye and Tan Eng Wat, being the President, Honorary Secretary and Treasurer of Society Of Sheng Hong Welfare Services (the Society), respectively, do hereby state that, in the opinion of the Management Committee, the accompanying statement of financial position, statement of financial activities and statement of cash flows together with the notes thereto are properly drawn up in accordance with the Singapore Societies Act 1966, the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations), and Charities Accounting Standards in Singapore (CASs) so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2022, and of the results, changes in accumulated funds and cash flows of the Society for the reporting year ended on that date.

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

On Behalf of the Management Committee



.....
Long Say Keng Adrian
President



.....
Tan Thiam Lye, BBM(L)
Honorary Secretary



.....
Tan Eng Wat
Treasurer

29 July 2022

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: T00SS0066C)

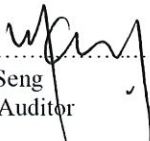
(Registered in the Republic of Singapore)

Honorary Auditors' Report to the Management Committee

We, being the honorary auditors elected at Annual General Meeting of Society Of Sheng Hong Welfare Services, do hereby state that in our opinion, the accompanying statement of financial position, statement of financial activities and statement of cash flows together with the notes thereto are properly drawn up in accordance with the Singapore Societies Act 1966, the Charities Act 1994, and other relevant regulations (the Charities Act and Regulations), and Charities Accounting Standards in Singapore (CASs) so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2022, and of the results, changes in accumulated funds and cash flows of the Society for the reporting year ended on that date.



.....
Tan Chee Wee Aaron
Honorary Auditor



.....
Ang Kok Seng
Honorary Auditor

29 July 2022



Teo Liang Chye PAC
Chartered Accountants of Singapore

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Registered in the Republic of Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Society Of Sheng Hong Welfare Services (the Society), which comprise the statement of financial position of the Society as at 31 March 2022, and the statement of financial activities and statement of cash flows of the Society for the 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 provisions of the Singapore Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Charities Accounting Standards in Singapore (CASs) so as to present fairly, in all material respects, the financial position of the Society as at 31 March 2022 and of the results, changes in accumulated funds and cash flows of the Society for the 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 Management Committee is responsible for the other information. The other information comprises the General Information and the Statement by Management Committee set out on pages 1 to 3.

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, 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.



Teo Liang Chye PAC is an independent Member
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5

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**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Registered in the Republic of Singapore)

Responsibilities of Management Committee for the Financial Statements

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and CASs, and for such internal control as Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, the Management Committee 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 Management Committee either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include 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 Management Committee.



Teo Liang Chye PAC
Chartered Accountants of Singapore

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Registered in the Republic of Singapore)

- Conclude on the appropriateness of the Management Committee'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.
- 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 the Management Committee 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 to be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations.

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

- (a) the Society has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations; and
- (b) the Society has not complied with the requirements of Regulation 15 of the Charities (Institution of a Public Character) Regulations.

TEO LIANG CHYE PAC
Public Accountants and Chartered Accountants

Singapore, 29 July 2022

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

Statement of Financial Position

	Notes	2022 \$	2021 \$
ASSETS			
Non-Current Asset			
Property, plant and equipment	3	2,973,254	3,119,591
Current Assets			
Other receivables	4	357,170	369,308
Cash and cash equivalents	5	6,376,231	5,492,632
		6,733,401	5,861,940
Total assets		<u>9,706,655</u>	<u>8,981,531</u>
FUND AND LIABILITIES			
Funds			
Restricted fund	6	6,674,952	6,815,163
Unrestricted fund	6	2,351,674	1,659,127
		9,026,626	8,474,290
Current Liabilities			
Other payables	7	637,053	452,021
Special funds	8	42,976	55,220
		680,029	507,241
Total funds and liabilities		<u>9,706,655</u>	<u>8,981,531</u>

The annexed notes to the financial statements form an integral part of these financial statements.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

Statement of Financial Activities

		Unrestricted Funds			Restricted Funds			Total	
	Notes	Society Of Sheng Hong Welfare Services \$	Hougang Sheng Hong Student Care Centre \$	Macpherson Sheng Hong Childcare Centre \$	Lifepoint \$	Hougang Sheng Hong Family Service Centre \$	Sheng Hong Active Ageing Hub @ Sennett \$	2022 \$	2021 \$
Income									
Voluntary income	10	30,867	27,189	572,850	81,389	105,708	35,027	853,030	1,181,131
Funds generating activities	11	362,940	326,702	1,135,982	570,639	2,538,461	796,306	5,731,030	4,877,314
Investment income		-	-	-	-	12,612	-	12,612	12,513
Other income	12	-	52	8,326	8,737	2,228	24,862	44,205	87,961
		393,807	353,943	1,717,158	660,765	2,659,009	856,195	6,640,877	6,158,919
Expenditure									
Cost of charitable activities		(307,509)	420,397	1,621,133	837,671	2,080,386	1,381,716	6,033,794	5,182,067
Governance costs		6,230	3,744	6,775	12,614	10,767	14,617	54,747	60,339
		(301,279)	424,141	1,627,908	850,285	2,091,153	1,396,333	6,088,541	5,242,406
Surplus/(Deficit) for the year		695,086	(70,198)	89,250	(189,520)	567,856	(540,138)	552,336	916,513
Transfer between funds		(21,591)	-	-	21,591	-	-	-	-
Net Surplus/(Deficit) for the year		673,495	(70,198)	89,250	(167,929)	567,856	(540,138)	552,336	916,513
Total funds brought forward		1,778,777	30,532	(150,182)	167,929	3,960,138	2,687,096	8,474,290	7,557,777
Total funds carried forward		2,452,272	(39,666)	(60,932)	-	4,527,994	2,146,958	9,026,626	8,474,290

The annexed notes to the financial statements form an integral part of these financial statements.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

Statement of Cash Flows

	Notes	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		552,336	916,513
Adjustments for:			
Depreciation of property, plant and equipment	3	511,600	615,550
Uncollectible fees		264	-
Loss on property, plant and equipment written off		44,666	-
Fixed deposit interest income		(12,612)	(12,513)
Operating surplus before working capital changes		1,096,254	1,519,550
Changes in:			
- other receivables		11,874	(202,068)
- other payables		185,032	259,447
- Special funds		(12,244)	(2,394)
Cash generated from operations		1,280,916	1,574,535
Net cash generated from operating activities		1,280,916	1,574,535
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(409,929)	(191,381)
Fixed deposit interest received		12,612	12,513
Net cash used in investing activities		(397,317)	(178,868)
Net increase in cash and cash equivalents		883,599	1,395,667
Cash and cash equivalents at beginning of year		5,492,632	4,096,965
Cash and cash equivalents at end of year	5	6,376,231	5,492,632

The annexed notes to the financial statements form an integral part of these financial statements.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

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

Notes to the Financial Statements

1. General Information

The financial statements of the Society for the year ended 31 March 2022 were authorised for issue by the Management Committee on 29 July 2022.

The Society was registered in the Republic of Singapore as a society under the Societies Act 1966 on 26 April 2000 and an approved institution of Public Character ("IPC") until 31 December 2023, subject to renewal.

The registered office is located at 15 Arumugam Road, Singapore 409960.

The principal places of activities of the Society are located at:

- (i) Block 237 Hougang Street 21 #01-406 Singapore 530237;
- (ii) Block 238 Hougang Avenue 1 #01-292 Singapore 530238;
- (iii) 175 Macpherson Road Singapore 348537; and
- (iv) 133 New Bridge Road #04-08 Chinatown Point Singapore 059413.

The objectives of the Society are those of provision of assistance welfare and relief, financial or otherwise to all people without discrimination as to race, language, creed or religion and the promotion of education and fostering of friendship and cohesion in the community, and provide day care and day rehabilitation services for senior citizens.

2. Significant Accounting Policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the Singapore Societies Act 1966, the Charities Act 1994 and Singapore Charities Accounting Standards (CASs) under the historical cost convention, except as disclosed in the accounting policies below.

2.2 Functional currency

These financial statements are presented in Singapore dollars, which is the Society's functional currency.

2.3 Significant accounting judgements and estimates

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

2. Significant Accounting Policies (continued)

2.3 Significant accounting judgements and estimates (continued)

Judgements made in applying accounting policies

The Management Committee is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Key sources of estimation uncertainty

The Management Committee is of the opinion that there are no significant assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.4 Income

Income is included in the statement of financial activities when the following three factors are met:

- the Society becomes entitled to the income;
- the Management Committee is virtually certain that they will receive the income; and
- the monetary value can be measured with sufficient reliability.

Donation income

Donations are recognised as income in the accounting period in which they are received or receivable.

Members' fees

Members' fees are recognised as income in the period to which the fees relates. Unearned income relating to future period is included in deferred income.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

2. Significant Accounting Policies (continued)

2.4 Income (continued)

Programme fees

Programme fees represent income from rendering of services to individuals and families. Such fees are recognised as income once the services are rendered.

Interest income

Interest income is recognised on an accrual basis.

Government grants

The Society's income comprises grants from the government to meet the Society's operating expenses and to fund the Society's capital expenditure.

Grants from the government are recognised as income in the statement of financial activities where there is reasonable assurance that they will be received and the conditions attached to them will be complied with. Where uncertainty exists as to whether the Company can meet the conditions, the grants that are received are deferred as a liability until there is sufficient evidence that the conditions attached can be met.

2.5 Leases

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

2.6 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 pension plans are recognised as an employee benefit expense in the statement of financial activities as incurred.

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 Society 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.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

2. Significant Accounting Policies (continued)

2.7 Expenditure

All expenditure is accounted for on an accrual basis and has been classified under headings that aggregate all cost related to that activity. Cost comprises direct expenditure including direct staff costs attributable to the activity.

Charitable activities

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objective of the Society.

Governance costs

Governance costs comprise all costs attributable to the general running of the Society, in providing the governance infrastructure and in ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

2.8 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Society at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the end of the reporting period are retranslated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

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.

2.9 Other receivables

Other receivables excluding prepayments are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the Statement of Financial Activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

After initial recognition, other receivable excluding prepayments are measured at cost less any accumulated impairment losses. Prepayments are measured at the amount paid less the economic resources received or consumed during the financial period.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

2. Significant Accounting Policies (continued)

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits that are readily convertible to known amount of cash and that are subject to an insignificant risk of changes in their fair value, and are used by the Society in the management of its short-term commitments. For the purpose of the statement of cash flows, pledged deposits are excluded whilst bank overdrafts that are repayable on demand and that form an integral part of the Society's cash management are included in cash and cash equivalents.

2.11 Other payables

Other payables excluding accruals are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs are recognised as expenditure in the Statement of Financial Activities as incurred. Accruals are recognised at the best estimate of the amount payable.

2.12 Property, plant and equipment

Items of property, plant and equipment are measured at cost less accumulated depreciation. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management Committee. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the statement of financial activities.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in the statement of financial activities on straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Society will obtain ownership by the end of the lease term.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

2. Significant Accounting Policies (continued)

2.12 Property, plant and equipment (continued)

Depreciation (continued)

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

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

Computer	3 years
Office equipment	3 years
Furniture and fittings	5 years
Renovation	5 years
School equipment	3 years
Health equipment	3 years
Motor vehicle	10 years
Leasehold building	12 years

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

Fully depreciated assets still in use are retained in the financial statements.

2.13 Funds

Unrestricted fund

Unrestricted funds are available for use at the discretion of the Management Committee in furtherance of the general objectives of the Society.

Restricted funds

Restricted funds are subjected to restrictions on their expenditure imposed by the donor or through the terms of an appeal.

2.14 Provisions for liabilities and charges

A provision is recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date.

The best estimate of the expenditure required to settle the obligation is the amount that the Society would rationally pay to settle the obligation at the reporting date or to transfer it to a third party.

2.15 Contingencies

A contingent liability or asset is a possible obligation or asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event not wholly within the control of the Society.

Contingent liabilities and assets are not recognised on the financial statements of the Society.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

3. Property, Plant And Equipment

	Computer \$	Office Equipment \$	Furniture And Fittings \$	Renovation \$	School Equipment \$	Health Equipment \$	Motor Vehicle \$	Leasehold Building \$	Total \$
Cost									
As at 1 April 2020	131,840	96,223	242,913	704,952	5,585	245,381	112,407	2,890,495	4,429,796
Additions	67,903	9,886	-	3,895	-	780	-	108,917	191,381
As at 31 March 2021	199,743	106,109	242,913	708,847	5,585	246,161	112,407	2,999,412	4,621,177
Additions	6,262	24,158	4,577	353,427	21,505	-	-	-	409,929
Written off	(26,240)	(36,127)	(88,835)	-	(639)	(23,505)	-	-	(175,346)
As at 31 March 2022	179,765	94,140	158,655	1,062,274	26,451	222,656	112,407	2,999,412	4,855,760
Accumulated depreciation									
As at 1 April 2020	93,305	88,616	77,461	565,772	5,585	45,229	10,068	-	886,036
Depreciation	32,846	6,485	40,212	47,004	-	82,205	11,267	395,531	615,550
As at 31 March 2021	126,151	95,101	117,673	612,776	5,585	127,434	21,335	395,531	1,501,586
Depreciation	38,737	11,490	35,265	80,557	3,584	80,748	11,267	249,952	511,600
Written off	(25,087)	(32,602)	(54,355)	-	(639)	(17,997)	-	-	(130,680)
As at 31 March 2022	139,801	73,989	98,583	693,333	8,530	190,185	32,602	645,483	1,882,506
Carrying amount									
At 31 March 2021	73,592	11,008	125,240	96,071	-	118,727	91,072	2,603,881	3,119,591
At 31 March 2022	39,964	20,151	60,072	368,941	17,921	32,471	79,805	2,353,929	2,973,254

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

4 Other Receivables

	2022	2021
	\$	\$
Other receivables	221,221	326,571
Deposits	26,814	20,110
Prepayments	109,135	22,627
	<u>357,170</u>	<u>369,308</u>

5. Cash And Cash Equivalents

	2022	2021
	\$	\$
Bank balances	4,343,960	3,473,168
Fixed deposits	2,029,913	2,017,300
Cash on hand	2,358	2,164
	<u>6,376,231</u>	<u>5,492,632</u>

Included in bank balances is an amount of \$11,602 (2021 - \$11,602) set aside for children and youth assistance funds/

6. Funds of Charities**(i) Funds held***Restricted fund*

Restricted funds are funds subject to specific restrictions which may be declared by the donor(s) with their authority or created through legal process, but still within the wider objects of the Society. Currently, it refers to income and expenditure of Hougang Sheng Hong Family Service Centre, Life Point and Sheng Hong Active Ageing Hub @ Sennett.

Unrestricted fund

This fund is expendable at the discretion of the Society's Management Committee in furtherance of the Society's objects.

(ii) Movement of major funds

Fund Name	Accumulated fund brought forward \$	Surplus for the year \$	Transfer \$	Accumulated fund carried forward \$
2021				
Restricted funds	5,826,571	678,185	310,407	6,815,163
Unrestricted funds	1,731,206	238,328	(310,407)	1,659,127
	<u>7,557,777</u>	<u>916,513</u>	<u>-</u>	<u>8,474,290</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

6. Funds of Charities (continued)**(ii) Movement of major funds (continued)**

Fund Name	Accumulated fund brought forward \$	Surplus for the year \$	Transfer \$	Accumulated fund carried forward \$
2022				
Restricted funds	6,815,163	(161,802)	21,591	6,674,952
Unrestricted funds	1,659,127	714,138	(21,591)	2,351,674
	<u>8,474,290</u>	<u>552,336</u>	<u>-</u>	<u>9,026,626</u>

During the year, surplus from unrestricted funds of \$21,591 (2021 - \$310,407) was transferred to restricted funds to cover the deficits in certain restricted funds.

7. Other Payables

	2022 \$	2021 \$
Other payables	60,050	49,727
Accrued operating expenses	322,515	273,303
Deposit received	70,194	86,806
School fees received in advance	16,241	14,500
GST payables	168,053	27,685
	<u>637,053</u>	<u>452,021</u>

8. Special Funds

	2022 \$	2021 \$
SPMF	7,190	12,640
Lee Foundation	800	5,850
SRJC Fund	27,011	31,030
FSC ComCare	7,975	5,700
	<u>42,976</u>	<u>55,220</u>

Special fund name Purpose and restrictions

SPMF The Straits Times School Pocket Money Fund (SPMF) is a community project initiated by The Straits Times to provide pocket money to children from low-income families to help them through school. As a member of NCSS, the Family Service Centre helps to administer and disburse SPMF to eligible beneficiaries.

Lee Foundation This fund refers to the financial assistance that the Family Service Centre helps its clients to acquire from Lee Foundation. After approval, the Family Service Centre will disburse the amount to the clients according to the instructions from the Foundation.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

8. Special Funds (continued)

Special fund name	Purpose and restrictions
SRJC Fund	The fund is raised and donated by Serangoon Junior College. It is meant to use for any activities or projects that will bring improvement to livelihood of low income families.
FSC ComCare	ComCare Fund is set aside by MSF and disbursed via the Family Service Centre, for the purpose of meeting the urgent and immediate needs of clients so as to bring temporary relief.

9. Fees for Audit Examination of the Financial Statements

	2022	2021
	\$	\$
Fees paid to auditors for reporting on the financial statements	16,500	14,800
Fees paid to auditors for other services	5,020	13,792
	<u>21,520</u>	<u>28,592</u>

No other financial services were provided by the auditors during the year.

10. Voluntary Income

	2022	2021
	\$	\$
Donation received - Tax deductible		
- Related parties	505,000	200,000
- Others	53,283	120,897
Donation received - Non tax deductible		
- Others	34,616	2,478
Government grants	260,131	857,756
	<u>853,030</u>	<u>1,181,131</u>

11. Income from Charitable Activities

	2022	2021
	\$	\$
Government grants	3,819,273	4,088,450
Building/renovation grants	254,402	56,960
President's Challenge	50,000	-
Bicentennial Community Fund	400,000	-
Holiday fees	7,127	7,566
Insurance	267	963
Membership fees	3,255	1,860
Programme fees	82,538	82,283
Registration fees	3,401	3,308
Services fee	100,963	58,093
School fees	1,001,115	571,261
Sundry income	8,689	6,570
	<u>5,731,030</u>	<u>4,877,314</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

12. Other Income

	2022	2021
	\$	\$
Sundry income	25,438	28,731
Other subsidies	18,767	59,230
	<u>44,205</u>	<u>87,961</u>

13. Employee Benefits

	2022	2021
	\$	\$
Staff costs		
- Salaries, wages and bonus	2,865,412	2,378,416
- Other short-term benefits (i.e. medical, insurance premiums and long service awards)	146,954	81,382
- Employer's CPF contributions	377,406	318,886
	<u>3,389,772</u>	<u>2,778,684</u>
Key management personnel		
- Salaries, bonus and other related costs	597,307	795,872
- Other short-term benefits (i.e. medical, insurance premiums and long service awards)	4,074	38,661
- Employer's CPF contributions	81,153	85,288
	<u>682,534</u>	<u>919,821</u>

During the year, there were three (2021 - three) paid employees who each received annual remuneration exceeding \$100,000 as follows:

	Number of employees	
	2022	2021
Salary band		
\$100,000 to \$200,000	<u>3</u>	<u>3</u>

14. Income Taxes

The Society is an approved charity organisation under the Charities Act 1994 and an institution of a public character under the Income Tax Act 1947. No provision for taxation has been made in the financial statements as the Society is a registered charity with income tax exemption.

15. Tax-Deductible Receipts

During the financial year, the Society issued tax-deductible receipts for donations collected amounting to \$558,283 (2021 - \$320,897).

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

16. Loans

During the year, there was no loan made to any employees, member of the Management Committee, related parties or third parties.

17. Related Party Transactions

For the purposes of these financial statements, parties are considered to be related to the Society if the Society has the direct and indirect ability to control the party, jointly control or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Society and the party are subject to common control or significant influence. Related parties may be individuals or other entities.

The Society considers the Management Committee and the executive management team to be key management personnel of the Society.

The members of the Management Committee did not receive any remuneration during the year. The remuneration of key management personnel are disclosed in Note 13.

Other than the related party information disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Society with related parties on terms agreed between the parties:

	2022 \$	2021 \$
With related parties		
Donation received - tax deductible	505,000	200,000

18. Leases

Operating lease commitments

Commitments in relation to non-cancellable operating leases contracted at the reporting date but not recognised as liabilities, are payable as follows:

	2022 \$	2021 \$
Not later than one year	506,485	512,155
Later than one year but not later than five years	376,762	875,967
	883,247	1,388,122

The Society leases premises and copier machines under operating leases. The lease for one of the premises is entered into by the trustees on behalf of the Society. The leases typically run for a period of three to five years, with an option to renew the leases after that date. Lease payments are usually increased to reflect market rentals. None of the leases includes contingent rentals.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2022

19. Reserve Policy

The Management Committee has established a reserve policy in accordance with the Code of Governance for Charities and IPCs Guideline. The reserve ratio calculated as follows:

	2022	2021
	\$	\$
Unrestricted funds	<u>2,351,674</u>	<u>1,659,127</u>
Current assets available to meet expenditure obligations	6,733,401	5,861,940
Total operating expenditure	<u>6,088,541</u>	<u>5,242,406</u>
Ratio of net liquid assets to total operating expenditure	<u>1.11</u>	<u>1.12</u>

The Society does not have external imposed fund requirements for the financial years ended 31 March 2022 and 31 March 2021. There were no changes in the Society's reserve policy during the financial year.

20. Contingent Liabilities

The Society and the Trustees have jointly and severally issued guarantees of \$114,600 to an insurer for a rental bond, which is given to the Singapore Government (as landlord of the Society) as security deposit for the Society's lease of its premise.

**THE FOLLOWING STATEMENTS DO NOT FORM PART OF THE AUDITED
FINANCIAL STATEMENTS OF THE SOCIETY**

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Appendix - Detailed Statements of Financial Activities for the year ended 31 March 2022

Statement of Financial Activities

	Unrestricted Funds			Restricted Funds			Total	
	Society Of Sheng Hong Welfare Services \$	Hougang Sheng Hong Student Care Centre \$	Macpherson Sheng Hong Childcare Centre \$	Lifepoint \$	Hougang Sheng Hong Family Service Centre \$	Sheng Hong Active Ageing Hub @ Sennett \$	2022 \$	2021 \$
Income								
Voluntary income	30,425	-	501,000	17,458	8,400	1,000	558,283	320,897
Donation received - Tax deductible	442	8	-	32,700	1,066	400	34,616	2,478
Donation received - Non-tax deductible	-	27,181	71,850	31,231	96,242	33,627	260,131	857,756
Government grants	30,867	27,189	572,850	81,389	105,708	35,027	853,030	1,181,131
Fund generating activities								
Funding - received from MSF	-	-	-	-	1,917,878	-	1,917,878	1,479,870
Funding - received from Tote Board	-	-	-	-	420,395	-	420,395	659,881
Funding - received from ComChest	-	-	-	-	102,287	-	102,287	78,925
Government grants - C3A	-	-	-	4,544	-	-	4,544	9,216
Government grants - CST	-	-	-	-	45,489	-	45,489	228,889
Government grants - TSS manpower	-	-	-	-	-	-	-	-
Government grants - HOPE	-	-	-	54,272	-	-	54,272	111,235
Government grants - ACP	-	-	-	189,410	-	-	189,410	70,460
Government grants - ADAP	-	-	-	-	-	-	-	173,703
Government grants - PDPA Fund	4,500	-	-	-	-	-	4,500	-
Government grants - Dementia Day Care	-	-	-	-	-	178,118	178,118	98,734
Government grants - Active Rehab	-	-	-	-	-	73,383	73,383	34,205
Government grants - Maintenance Day Care	-	-	-	-	-	191,264	191,264	72,301
Government grants - Eldercare Transition Baseline	-	-	-	-	-	137,233	137,233	-
Government grants - Care & Share	-	-	-	-	-	-	-	234,744
Government grants - Invictus Fund	-	-	-	281,294	-	-	-	136,150
Government grants - Tote Board	-	-	903	-	-	-	-	-
Government grants - Others	-	122,958	254,402	-	-	95,345	219,206	700,137
Building/renovation grants	-	-	-	-	50,000	-	50,000	56,960
President's Challenge	360,000	-	-	20,000	-	20,000	400,000	-
Bicentennial Community Fund	-	-	-	-	-	-	7,127	7,566
Holiday fee	-	7,127	-	-	-	-	267	963
Insurance	-	-	267	-	-	-	3,255	1,860
Membership	-	-	-	3,255	-	-	82,538	82,283
Programme fee	-	27,085	36,737	17,864	2,412	-	3,401	3,308
Registration fees	(1,560)	1,099	2,302	-	-	-	100,963	58,093
Services fee	-	-	-	-	-	100,963	1,001,115	571,261
School fees	-	165,662	835,453	-	-	-	8,689	6,570
Sundry income	-	2,771	5,918	-	-	-	5,731,030	4,877,314
	362,940	326,702	1,135,982	570,639	2,538,461	796,306	6,584,060	6,058,445
	393,807	353,891	1,708,832	652,028	2,644,169	831,333		
Income carried forward								

(Registered in the Republic of Singapore)

Statement of Financial Activities (continued)

	Unrestricted Funds			Restricted Funds			Total
	Society Of Sheng Hong Welfare Services \$	Hougang Sheng Hong Student Care Centre \$	Macpherson Sheng Hong Childcare Centre \$	Lifepoint \$	Hougang Sheng Hong Family Service Centre \$	Sheng Hong Active Ageing Hub @ Sennett \$	
Income (continued)							
Income brought forward	393,807	353,891	1,708,832	652,028	2,644,169	831,333	6,058,445
Investment income	-	-	-	-	12,612	-	12,513
Fixed deposit interest	-	-	-	-	12,612	-	12,513
Other income	-	52	8,064	-	18	17,304	28,731
Sundry income	-	-	262	8,737	2,210	7,558	59,230
Other subsidies	-	52	8,326	8,737	2,228	24,862	87,961
Total income	393,807	353,943	1,717,158	660,765	2,659,009	856,195	6,158,919

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Appendix – Detailed Statements of Financial Activities for the year ended 31 March 2022

Statement of Financial Activities (continued)

	Unrestricted Funds			Restricted Funds			Total	
	Society Of Sheng Hong Welfare Services \$	Hougang Sheng Hong Student Care Centre \$	Macpherson Sheng Hong Childcare Centre \$	Lifepoint \$	Hougang Sheng Hong Family Service Centre \$	Sheng Hong Active Ageing Hub @ Sennett \$	2022 \$	2021 \$
Expenditure								
Cost of charitable activities								
Admin	-	1,685	7,525	2,900	7,175	4,090	23,375	23,568
Bank charges	116	220	387	114	365	220	1,422	1,629
Cleaning fee	-	12,851	14,398	10,234	217	14,427	52,127	17,395
Contract service	-	1,271	18,630	2,104	-	205,177	227,182	89,285
CPF and SDL	(43,658)	27,389	83,101	92,139	247,725	58,677	465,373	410,573
Depreciation of property, plant and equipment	419	43,133	49,774	(47,530)	7,274	458,530	511,600	615,550
Disbursements	-	-	-	-	-	-	-	935
Email and internet charges	-	1,440	1,440	1,317	1,570	1,851	7,618	8,891
Facility charges	-	-	-	17,304	-	-	17,304	-
Food and marketing	-	4,417	20,688	-	-	24,027	49,132	35,149
FWL	-	-	20,855	3,176	-	13,617	37,648	18,466
GST absorbed/unclaimable	8,363	83,403	216,536	8,434	2,595	(49,407)	269,924	-
Insurance - employee	-	1,838	5,596	2,912	6,929	3,377	20,652	20,944
Insurance - others	-	63	3,213	(443)	2,488	4,759	10,080	7,533
Insurance - students	-	230	541	-	-	-	771	836
Medical expenses	(1,167)	1,699	8,104	4,162	7,168	6,343	26,309	21,627
Leasing of office equipment	-	-	4,260	17	5,875	6,374	16,526	14,724
Penalty and fines	-	-	100	-	-	9	109	-
Postage charges	-	-	1	1,001	143	-	1,145	1,463
Printing and stationery	159	1,017	2,953	8,208	5,270	2,205	19,812	9,025
Programme expenses - Others	-	27,066	35,371	14,619	7,569	6,831	91,456	104,494
Purchase of new office equipment	-	778	4,730	2,131	1,425	1,447	10,511	9,539
Refreshment	-	-	-	29	94	-	123	343
Rental	-	3,400	254,100	40,904	6,108	91,800	396,312	365,008
Sundry expenses - Uniform/PE Att/Matt	-	-	3,862	-	-	-	3,862	7,057
Salary and bonuses	(264,013)	192,804	808,769	657,897	1,629,794	437,468	3,462,719	3,174,288
Staff recruitment	-	269	4,669	169	507	443	6,057	3,706
Staff training	-	69	2,924	4,155	73,246	295	80,689	30,718
Staff welfare	(300)	378	2,186	450	2,169	617	5,500	17,298
Expenditure carried forward	(300,081)	405,420	1,574,713	826,403	2,015,706	1,293,177	5,815,338	5,010,044

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Appendix – Detailed Statement of Financial Activities for the year ended 31 March 2022

Statement of Financial Activities (continued)

	Unrestricted Funds			Restricted Funds			Total
	Society Of Sheng Hong Welfare Services \$	Hougang Sheng Hong Student Care Centre \$	Macpherson Sheng Hong Childcare Centre \$	Lifepoint \$	Hougang Sheng Hong Family Service Centre \$	Sheng Hong Active Ageing Hub @ Sennett \$	
Expenditure (continued)							
Cost of charitable activities (continued)							
Expenditure brought forward	(300,081)	405,420	1,574,713	826,403	2,015,706	1,293,177	5,010,044
Telephone charges	-	625	984	3,314	4,367	3,486	12,051
Transportation	-	-	-	544	1,920	-	1,786
Uncollectible fees	-	-	-	-	-	264	-
Unutilised leave	(7,428)	-	3,347	5,797	16,161	-	50,399
Upkeep of computers	-	2,060	5,998	1,636	18,672	2,023	18,590
Upkeep of office equipments	-	1,622	7,644	725	2,710	7,501	10,796
Upkeep of motor vehicle	-	-	-	-	-	3,173	2,210
Upkeep of premises	-	842	6,933	(1,535)	103	9,791	21,273
Utilities	-	9,203	21,514	(1,689)	17,222	24,261	54,918
Written off of property, plant and equipment	-	625	-	2,476	3,525	38,040	-
	(307,509)	420,397	1,621,133	837,671	2,080,386	1,381,716	5,182,067
Governance costs							
Audit fee	2,230	2,630	5,250	2,800	4,580	4,030	28,592
Books and resources	-	-	700	-	-	-	890
Licence fee	-	1,114	825	1,114	1,214	10,234	5,098
Professional fee	3,600	-	-	1,000	3,050	-	10,757
Publicity and promotion	-	-	-	7,700	281	-	13,628
Subscription	400	-	-	-	1,642	353	1,374
	6,230	3,744	6,775	12,614	10,767	14,617	60,339
Total expenditure	(301,279)	424,141	1,627,908	850,285	2,091,153	1,396,333	5,242,406
Surplus/(Deficit) for the year	695,086	(70,198)	89,250	(189,520)	567,856	(540,138)	916,513
Transfer between funds	(21,591)	-	-	21,591	-	-	-
Net surplus/(deficit) for the year	673,495	(70,198)	89,250	(167,929)	567,856	(540,138)	916,513
Total funds brought forward	1,778,777	30,532	(150,182)	167,929	3,960,138	2,687,096	7,557,777
Total funds brought forward	<u>2,452,272</u>	<u>(39,666)</u>	<u>(60,932)</u>	<u>-</u>	<u>4,527,994</u>	<u>2,146,958</u>	<u>8,474,290</u>