

**SOCIETY OF SHENG HONG
WELFARE SERVICES**

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

For The Year Ended 31 March 2021

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: S00SS0066C)

(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: S00SS0066C)

(Registered in the Republic of Singapore)

General Information

Management Committee

<i>Name</i>	<i>Date of appointment</i>	<i>Position Held</i>
Ling Kin Huat, BBM	01.09.2019	President
Lim Chwee Kim, BBM	01.09.2019	1 st Vice President
Ong Kuan, BBM	01.09.2019	Vice President
Soon Cheok Kah	01.09.2019	Vice President
Tan Thiam Lye, BBM (L)	01.09.2019	Honorary Secretary
Tan Eng Wat	01.09.2019	Assistant Secretary
Goh Geok Choo	01.09.2019	Treasurer
Ong Aii Ley	01.09.2019	Assistant Treasurer
Sim Wai Chin, BBM (L)	01.09.2019	Ordinary Members
Lim Chin Poh	01.09.2019	Ordinary Members
Lim Tiam Teng Raymond, PBM	01.09.2019	Ordinary Members
Soong Kok Chee	01.09.2019	Ordinary Members
Chew Geok Hoon Jennifer, PBM	01.09.2019	Ordinary Members
Long Say Keng Adrian	01.09.2019	Ordinary Members
Ling Kin Huat, BBM	18.08.2011	Trustee
Tan Thiam Lye, BBM (L)	18.08.2011	Trustee
Tan Tee Sea, PBM	18.08.2011	Trustee
Davy Teng Swee Lim	01.09.2019	Honorary Auditors
Siew Kian Nam	01.09.2019	Honorary Auditors

Charity Status

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

IPC Status

UEN No. : T00SS0066C
IPC Period : 1 January 2020 to 31 December 2021
Central Fund : A member of NCSS

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: S00SS0066C)

(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
Bank of China

Auditors

Teo Liang Chye PAC
Public Accountants and Chartered Accountants

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: S00SS0066C)

(Registered in the Republic of Singapore)

Statement by the Management Committee


We, Ling Kin Huat, Tan Thiam Lye and Goh Geok Choo, being the President, Honorary Secretary and Treasurer of Society Of Sheng Hong Welfare Services ("the Society"), respectively, 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, Chapter 311, the Charities Act, Chapter 37 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 2021, 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



.....
Ling Kin Huat, BBM
President



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



.....
Goh Geok Choo
Treasurer

30 July 2021

SOCIETY OF SHENG HONG WELFARE SERVICES

(UEN No: S00SS0066C)

(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, Chapter 311, the Charities Act, Chapter 37 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 2021, and of the results, changes in accumulated funds and cash flows of the Society for the reporting year ended on that date.



.....
Davy Teng Swee Lim
Honorary Auditor



.....
Siew Kian Nam
Honorary Auditor

30 July 2021



Teo Liang Chye PAC
Chartered Accountants of Singapore

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Incorporated 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 2021, 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, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 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 2021 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
of TGS, an international business network

5

101-A Upper Cross Street
#11-15 People's Park Centre
Singapore 058358

[t] +65 6535 7822
[f] +65 6535 2472
www.tlc-sg.net



Teo Liang Chye PAC
Chartered Accountants of Singapore

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Incorporated 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.

**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES**
(Incorporated 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.

Other Matters

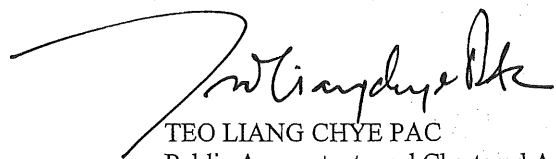
The financial statements of the Society for the year ended 31 March 2020 were audited by another auditor who expressed an unmodified opinion on those statements on 15 July 2020.

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, 30 July 2021

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

Statement of Financial Position

	Notes	2021 \$	2020 \$
ASSETS			
Non-Current Asset			
Property, plant and equipment	3	3,119,591	3,543,760
Current Assets			
Other receivables	4	369,308	167,240
Cash and cash equivalents	5	5,492,632	4,096,965
		5,861,940	4,264,205
Total assets		<u>8,981,531</u>	<u>7,807,965</u>
FUND AND LIABILITIES			
Funds			
Restricted fund	6	6,815,163	5,826,571
Unrestricted fund	6	1,659,127	1,731,206
		8,474,290	7,557,777
Current Liabilities			
Other payables	10	452,021	192,574
Special funds	11	55,220	57,614
		507,241	250,188
Total funds and liabilities		<u>8,981,531</u>	<u>7,807,965</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 2021

Statement of Financial Activities

	Notes	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 \$	2021 \$	2020 \$
Income									
Voluntary income	13	322,257	73,959	208,048	138,080	328,511	110,276	1,181,131	444,418
Funds generating activities	14	355,398	296,660	953,495	667,338	1,958,595	645,828	4,877,314	6,430,409
Investment income		-	-	-	-	12,513	-	12,513	18,529
Other income	15	566	12,796	42,314	2,627	9,778	19,880	87,961	46,831
		678,221	383,415	1,203,857	808,045	2,309,397	775,984	6,158,919	6,940,187
Expenditure									
Cost of charitable activities		317,443	349,478	1,339,898	629,031	1,472,344	1,073,873	5,182,067	4,911,092
Government costs		2,800	3,405	14,141	12,697	14,778	12,518	60,339	56,621
		320,243	352,883	1,354,039	641,728	1,487,122	1,086,391	5,242,406	4,967,713
Surplus/(Deficit) for the year		357,978	30,532	(150,182)	166,317	822,275	(310,407)	916,513	1,972,474
Transfer between funds		(310,407)	-	-	-	-	310,407	-	-
Net (Deficit)/Surplus for the year		47,571	30,532	(150,182)	166,317	822,275	-	916,513	1,972,474
Total funds brought forward		1,731,206	-	-	1,612	3,137,863	2,687,096	7,557,777	5,585,303
Total funds carried forward		1,778,777	30,532	(150,182)	167,929	3,960,138	2,687,096	8,474,290	7,557,777

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 2021

Statement of Cash Flows

	Notes	2021 \$	2020 \$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus for the year		916,513	1,972,474
Adjustments for:			
Depreciation of property, plant and equipment	3	615,550	143,218
Fixed deposit interest income		(12,513)	(18,529)
Operating surplus before working capital changes		1,519,550	2,097,163
Changes in:			
- other receivables		(202,068)	326,192
- other payables		259,447	(50,738)
- Special funds		(2,394)	(8,980)
Cash generated from operations		1,574,535	2,363,637
Net cash generated from operating activities		1,574,535	2,363,637
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of plant and equipment		(191,381)	(1,191,897)
Fixed deposit interest received		12,513	18,529
Net cash used in investing activities		(178,868)	(1,173,368)
CASH FLOWS FROM FINANCING ACTIVITIES			
Building grant received		-	(855,999)
Non-IT equipment grant received		-	(26,609)
IT equipment grant received		-	(15,193)
Net cash used in financing activities		-	(897,801)
Net increase in cash and cash equivalents		1,395,667	292,468
Cash and cash equivalents at beginning of year		4,096,965	3,804,497
Cash and cash equivalents at end of year	5	5,492,632	4,096,965

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 2021

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 2021 were authorised for issue by the Management Committee on 30 July 2021.

The Society was registered in the Republic of Singapore as a society under the Societies Act, Chapter 311 on 9 May 2000 and an approved institution of Public Character (“IPC”) until 31 December 2021, 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, Chapter 311, the Charities Act, Chapter 37 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 2021

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 Revenue

Income is recognised in the statement of financial activities when the effect of a transaction or other event results in an increase in the society's net assets. Income is recognised when the following three factors are met:

(i) Entitlement

The Society has control over the rights or other access to the resource, enabling the Society to determine its future application;

(ii) Certainty

It is probable that the income will be received; and

(iii) Measurement

The amount of the income can be measured with sufficient reliability.

The following specific recognition criteria must also be met before income is recognised:

Donation

Donations are recognised as income in the Statement of Financial Activities in the accounting period in which they are received or receivable.

Donations in kind

Donation in kind are recorded as donation income at an amount equivalent to the estimated value of the items donated when the value can be reasonably and reliably estimated.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

2. Significant Accounting Policies (continued)

2.4 Revenue (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 Company'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 2021

2. Significant Accounting Policies (continued)

2.7 Expenditure

An expenditure is accounted for on an accrual basis and has been classified under the respective headings of the 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 Grants

Government grants were recognised at their fair value where there was reasonable assurance that the grant would be received and all attaching conditions would be complied with. When the grant was related to an expense item, it was recognized in the Statement of Financial Activities over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

2.9 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.

2.10 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 2021

2. Significant Accounting Policies (continued)

2.11 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.

2.12 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.

2.13 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 2021

2. Significant Accounting Policies (continued)

2.13 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
Building construction	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.

2.14 Funds

Unrestricted fund

Income and expenditure relating to the main activities of the Society are accounted for through the Unrestricted Fund in the statement of financial activities.

Restricted funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the Restricted Funds in the statement of financial activities.

2.15 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.

2.16 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 2021

3. Property, Plant And Equipment

	Computer \$	Office Equipment \$	Furniture And Fittings \$	Renovation \$	School Equipment \$	Health Equipment \$	Motor Vehicle \$	Leasehold Building \$	Leasehold Building Under Construction \$	Total \$
Cost										
As at 1 April 2019	92,653	90,670	62,637	704,952	5,585	-	-	-	2,282,686	3,239,183
Transfer from building under construction	-	-	-	-	-	-	-	-	-	-
Additions	40,471	5,553	180,276	-	-	245,381	112,407	2,282,686	(2,282,686)	1,191,897
Disposal	(1,284)	-	-	-	-	-	-	-	-	(1,284)
As at 31 March 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

Accumulated depreciation

As at 1 April 2019	84,151	82,586	52,686	519,094	5,585	-	-	-	-	744,102
Depreciation	10,438	6,030	24,775	46,678	-	45,229	10,068	-	-	143,218
Disposal	(1,284)	-	-	-	-	-	-	-	-	(1,284)
As at 31 March 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

Net book value

As at 31 March 2020	38,535	7,607	165,452	139,180	-	200,152	102,339	2,890,495	-	3,543,760
As at 31 March 2021	73,592	11,008	125,240	96,071	-	118,727	91,072	2,603,881	-	3,119,591

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

4 Other Receivables

	2021	2020
	\$	\$
Other receivables	326,571	113,888
Deposits	20,110	12,052
Prepayments	22,627	41,300
	<u>369,308</u>	<u>167,240</u>

5. Cash And Cash Equivalents

	2021	2020
	\$	\$
Bank balances – children and youth assistance funds	11,602	11,657
Bank balances	3,461,566	3,081,705
Fixed deposits	2,017,300	1,000,000
Cash on hand	2,164	3,603
	<u>5,492,632</u>	<u>4,096,965</u>

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, 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/ (Deficit) for the year \$	Transfer \$	Accumulated fund carried forward \$
2020				
Restricted funds	3,775,515	2,051,056	-	5,826,571
Unrestricted funds	1,809,788	(78,582)	-	1,731,206
	<u>5,585,303</u>	<u>1,972,474</u>	<u>-</u>	<u>7,557,777</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

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 \$
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>

During the year, surplus from unrestricted funds of \$310,407 (2019 – Nil) was transferred to restricted funds to cover the deficits in certain restricted funds.

7. Building Fund

	2021 \$	2020 \$
Building fund brought forward	-	855,999
Funds received	-	611,800
Funds transferred and recognised in funds generating activities	-	(1,467,799)
Building fund carried forward	<u>-</u>	<u>-</u>

Building fund consists of grant received from Ministry Of Health for Sheng Hong Active Ageing Hub @ Sennett. Building fund had been transferred to and recognised in funds generating activities as the building construction was completed in financial year 2020.

8. Non-IT Equipment Fund

	2021 \$	2020 \$
Non-IT equipment fund brought forward	-	26,609
Funds received	-	437,020
Funds transferred and recognised in funds generating activities	-	(463,629)
Non-IT equipment fund carried forward	<u>-</u>	<u>-</u>

Non-IT equipment fund consists of grant received from Ministry Of Health for furniture and equipment at Sheng Hong Active Ageing Hub @ Sennett. The fund had been transferred to and recognised in funds generating activities as the fund was used for the purchase of non-IT equipment.

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

9. IT Equipment Fund

	2021	2020
	\$	\$
Non-IT equipment fund brought forward	-	15,193
Funds received	-	31,007
Funds transferred and recognised in funds generating activities	-	(46,200)
Non-IT equipment fund carried forward	-	-

IT equipment fund consists of grant received from Ministry Of Health for IT equipment and network at Sheng Hong Active Ageing Hub @ Sennett. The fund had been transferred to and recognised in funds generating activities as the fund was used for purchase of IT equipment.

10. Other Payables

	2021	2020
	\$	\$
Other payables	49,727	22,390
Accrued operating expenses	273,303	34,489
Deposit received	86,806	90,306
School fees received in advance	14,500	3,884
GST payables	27,685	-
Deferred income	-	41,505
	<u>452,021</u>	<u>192,574</u>

11. Special Funds

	2021	2020
	\$	\$
SPMF	12,640	8,045
Lee Foundation	5,850	6,150
SRJC Fund	31,030	36,569
FSC ComCare	5,700	6,850
	<u>55,220</u>	<u>57,614</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 2021

11. 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.

12. Fees for Audit Examination of the Financial Statements

	2021	2020
	\$	\$
Fees paid to auditors for reporting on the financial statements	14,800	17,100
Fees paid to auditors for other services	13,792	7,160
	<u>28,592</u>	<u>24,260</u>

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

13. Voluntary Income

	2021	2020
	\$	\$
Donation received - Tax deductible		
- Related parties	200,000	339,930
- Others	120,897	20,388
Donation received - Non tax deductible		
- Others	2,478	12,304
Donation in kind - Others	-	300
Government grants	857,756	71,496
	<u>1,181,131</u>	<u>444,418</u>

14. Income from Charitable Activities

	2021	2020
	\$	\$
Government grants	4,088,450	3,392,036
Building grants	56,960	1,467,799
Non-IT equipment grant	-	463,629
IT equipment grant	-	46,200
Holiday fee	7,566	11,325
Insurance	963	1,130
Membership	1,860	5,930
Programme fee	82,283	141,116
Registration fees	3,308	4,600
Services fee	58,093	19,510
School fees	571,261	868,320
Sundry income	6,570	8,814
	<u>4,877,314</u>	<u>6,430,409</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

15. Other Income

	2021	2020
	\$	\$
Sundry income	28,731	9,302
Other subsidies	59,230	37,529
	<u>87,961</u>	<u>46,831</u>

16. Employee Benefits

	2021	2020
	\$	\$
Staff costs		
- Salaries, wages and bonus	2,378,416	2,506,166
- Other short-term benefits (i.e. medical, insurance premiums and long service awards)	81,382	26,848
- Employer's CPF contributions	318,886	336,085
	<u>2,778,684</u>	<u>2,869,099</u>
Key management personnel		
- Salaries, bonus and other related costs	795,872	660,793
- Other short-term benefits (i.e. medical, insurance premiums and long service awards)	38,661	1,117
- Employer's CPF contributions	85,288	62,571
	<u>919,821</u>	<u>724,481</u>

There are only three (2020 - two) paid employees who each receives annual remuneration exceeding \$100,000 as follows:

	Number of employees	
	2021	2020
Salary band		
\$100,000 to \$200,000	<u>3</u>	<u>2</u>

17. Income Taxes

The Society is an approved charity organisation under the Charities Act, Chapter 37 and an institution of a public character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Society is a registered charity with income tax exemption.

18. Tax-Deductible Receipts

During the financial year, the Society issued tax-deductible receipts for donations collected amounting to \$320,897 (2020 - \$360,318).

SOCIETY OF SHENG HONG WELFARE SERVICES

(Registered in the Republic of Singapore)

Financial Statements for the year ended 31 March 2021

19. Loans

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

20. 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 any remuneration during the year. The remuneration of key management personnel are disclosed in Note 16.

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

	2021 \$	2020 \$
With related party		
Donation received - tax deductible	200,000	339,930

21. LeasesOperating lease commitments

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

	2021 \$	2020 \$
Not later than one year	512,155	392,803
Later than one year but not later than five years	875,967	85,810
	1,388,122	478,613

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 2021

22. 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:

	2021	2020
	\$	\$
Unrestricted funds	<u>1,659,127</u>	<u>1,731,206</u>
Current assets available to meet expenditure obligations	5,861,940	4,264,205
Total operating expenditure	<u>5,242,406</u>	<u>4,967,713</u>
Ratio of net liquid assets to total operating expenditure	<u>1.12</u>	<u>0.86</u>

The Society does not have external imposed fund requirements for the financial years ended 31 March 2021 and 31 March 2020. There were no changes in the Society's reserve policy during the financial year.

23. Contingent Liabilities

The Society and the trustees jointly and severally issued guarantees of \$114,600 to an insurer for rental bond guarantees, which are given to the landlord as security deposit.