

SOCIETY OF SHENG HONG WELFARE SERVICES

ROS. No.316/WEL99

UEN. No. T00SS0066C

Charity. No. 1437

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2013

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SOCIETY OF SHENG HONG WELFARE SERVICES

CORPORATE INFORMATION

Board members :	Ling Kin Huat, PBM (President)	Lim Tiam Teng Raymond (Member)
	Lim Chwee Kim, PBM (1 st Vice-president)	Soon Cheok Kah (Member)
	Ong Kuan, PBM (Vice-president)	Xu Li Ying (Dr) (Member)
	Tan Teck Seng (Vice-president)	Lim Chin Poh (Member)
	Tan Thiam Lye, BBM, (Honorary Secretary)	Ling Tze Kin (Member)
	Chung Kwang Tong (Assistant Secretary)	Ong Aii Ley (Member)
	Soong Kok Chee (Treasurer)	
	Siew Kian Nam (Assistant Treasurer)	

Registered Office : 15 Arumugam Road,
Singapore 409960

Independent Auditors : Ong Teh PAC
89 Short Street
#10-02 Golden Wall Centre
Singapore 188216

SOCIETY OF SHENG HONG WELFARE SERVICES

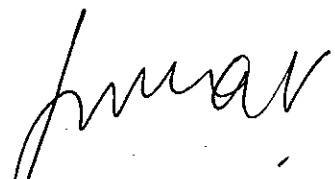
STATEMENT BY BOARD MEMBERS

In the opinion of the Board Members:

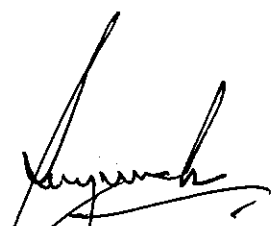
The financial statements are drawn up so as to give a fair presentation of the state of affairs of the Society as at 31 March 2013 and the results, and cash flows of the Society for the year ended on that date.

The Board of Members has on the date of this statement authorised these financial statements for issue.

On behalf of the Board Members



LING KIN HUAT
President



SOONG KOK CHEE
Treasurer

Date: 20 AUG 2013

ONG TEH PAC

(Regn No. 201216230N)

Chartered Accountants of Singapore

89 Short Street, #10-02 Golden Wall Centre, Singapore 188216 Fax: 63395338 Tel: 63399566

Email: ongtehco@otcpa.com.sg

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOCIETY OF SHENG HONG WELFARE SERVICES

Report on the Financial Statements

We have audited the accompanying financial statements of Society of Sheng Hong Welfare Services (the "Society"), which comprise the statement of financial position as at 31 March 2013, and the statement of comprehensive income and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the Singapore Financial Reporting Standards and the Societies Act, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

ONG TEH PAC

(Regn. No. 201216230N)

Chartered Accountants of Singapore

89 Short Street, #10-02 Golden Wall Centre, Singapore 188216 Fax: 63395338 Tel: 63399566

Email: ongtehco@otcpa.com.sg

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOCIETY OF SHENG HONG WELFARE SERVICES (cont'd)

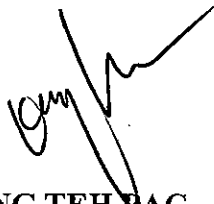
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the donation monies received was used in accordance with the objectives of the IPC and the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to present fairly, in all material aspects, the state of affairs of the Society as at 31 March 2013 and the results and cash flows of the Society for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act to be kept by the Society have been properly kept in accordance with those regulations.



ONG TEH PAC

Chartered Accountants of Singapore

Public Accountants

Singapore

Date: **20 AUG 2013**

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2013

	<u>Note</u>	<u>2013</u> S\$	<u>2012</u> S\$
ASSETS			
<i>Non-current assets</i>			
Plant and equipment	4	67,363	8,997
<i>Current assets</i>			
Other receivables and deposits	5	369,348	108,026
Prepayments		2,446	2,175
Cash and bank balances	6	1,149,301	837,091
		1,521,095	947,292
<i>Total assets</i>		1,588,458	956,289
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted fund	7	1,096,418	620,688
Unrestricted fund	8	179,239	139,601
		1,275,657	760,289
<i>Current liabilities</i>			
Special fund	9	85,945	51,768
Other payables	11	226,856	144,232
		312,801	196,000
<i>Total equity and liabilities</i>		1,588,458	956,289

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

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2013

	Unrestricted Funds				Restricted Fund				Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Life Point	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Family Service Centre	Programme "FLE"	Programme TC & RC	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Income									
Voluntary income	344,271	-	-	-	38,266	-	-	-	382,537
Fund generating activities	-	164,018	1,501,168	160	-	1,295,348	16,962	225,056	3,202,712
Other income	-	6,784	15,509	-	-	13,556	-	-	35,849
Total income	344,271	170,802	1,516,677	160	38,266	1,308,904	16,962	225,056	3,621,098
Expenditure									
Cost of charitable activities	100	203,033	1,772,189	10,650	6,028	875,100	21,068	204,962	3,093,130
Government cost	-	3,000	3,300	-	2,100	3,360	-	840	12,600
Total expenditure	100	206,033	1,775,489	10,650	8,128	878,460	21,068	205,802	3,105,730
Surplus / (deficit) for the year	344,171	(35,231)	(258,812)	(10,490)	30,138	430,444	(4,106)	19,254	515,368
Transfer between funds	-	-	-	-	(4,106)	-	4,106	-	-
Transfer between funds	-	-	-	-	19,254	-	-	(19,254)	-
Transfer between funds	(304,533)	35,231	258,812	10,490	-	-	-	-	-
Net surplus for the year	39,638	-	-	-	45,286	430,444	-	-	515,368
Total fund brought forward	139,601	-	-	-	190,183	430,505	-	-	760,289
Total fund carried forward	179,239	-	-	-	235,469	860,949	-	-	1,275,657

A further analysis of the above item is presented in the supplementary schedules.

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2012

	Unrestricted Funds				Restricted Fund			Total
	Society of Sheng Hong Welfare Services		Hougang Sheng Hong Student Care Centre		Macpherson Sheng Hong Childcare Centre		Society of Sheng Hong Welfare Services	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Income								
Voluntary income	241,623	-	-	-	45,294	-	-	286,917
Fund generating activities	-	169,763	-	1,298,424	-	753,348	-	2,417,047
Other income	-	61	-	22,512	-	10,857	-	33,430
Total income	241,623	169,824	169,824	1,320,936	45,294	764,205	17,780	2,737,394
Expenditure								
Cost of charitable activities	80	220,051	220,051	1,571,938	4,778	708,750	21,234	2,739,510
Government cost	-	3,000	-	8,563	2,000	3,500	-	17,063
Total expenditure	80	223,051	223,051	1,580,501	6,778	712,250	21,234	2,756,573
Surplus / (deficit) for the year	241,543	(53,227)	(53,227)	(259,565)	38,516	51,955	(3,454)	(19,179)
Transfer between funds	-	-	-	-	(3,454)	-	3,454	-
Transfer between funds	-	-	-	-	(34,947)	-	-	34,947
Transfer between funds	(312,792)	53,227	53,227	259,565	-	-	-	-
Nets surplus for the year	(71,249)	-	-	-	115	51,955	-	(19,179)
Total fund brought forward	210,850	-	-	-	190,068	378,550	-	779,468
Total fund carried forward	139,601	-	-	190,183	190,183	430,505	-	760,289

A further analysis of the above item is presented in the supplementary schedules.

SOCIETY OF SHENG HONG WELFARE SERVICES

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2013**

	Note	<u>2013</u> S\$	<u>2012</u> S\$
OPERATING ACTIVITIES			
Surplus/(deficit) for the year		515,368	(52,408)
Adjustments for			
Depreciation and amortisation		28,580	8,576
		<u>543,948</u>	<u>(43,832)</u>
Changes in working capital			
Increase in other receivables		(261,593)	(21,021)
Increase/(decrease) in other payables		82,624	(25,157)
Increase in special fund		34,177	13,053
Cash generated from/(used in) operations		<u>399,156</u>	<u>(76,957)</u>
INVESTING ACTIVITIES			
Purchases of plant and equipment		(86,946)	(1,263)
Net cash used in investing activities		<u>(86,946)</u>	<u>(1,263)</u>
FINANCING ACTIVITIES			
Government grant		-	33,430
Bankers' guarantee pledged		(113,589)	-
Net cash from financing activities		<u>(113,589)</u>	<u>33,430</u>
Net increase/(decrease) in cash and cash equivalents		<u>198,621</u>	<u>(44,790)</u>
Cash and cash equivalents at beginning of year		<u>837,091</u>	<u>881,881</u>
Cash and cash equivalents at end of year	6	<u><u>1,035,712</u></u>	<u><u>837,091</u></u>

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

SOCIETY OF SHENG HONG WELFARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS – 31 MARCH 2012

These notes form an integral part of the financial statements.

1. General information

Society of Sheng Hong Welfare Services (the "Society") has been registered under the Society Act Cap. 311, as well as a charity under the Charities Act, 1994 (Cap.37).

Charity status:

UEN No : T00SS0066C
ROS Registration No : ROS316/99WEL
Date of Establishment : 26 April 2000
Charity Registration No : 1437
Charity Registration Date : 5 November 1999

IPC status:

Effective Date : 01/10/2013 - 31/12/2014
Central fund : A member of NCSS

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

The principal place of activities of the society are located at:

- (i) Block 237 Hougang Street 21, #01-406, Singapore 530237.
- (ii) Block 238 Hougang Street 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 objects 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.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with the provision of Society Act, Chap.311 and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The accounting policies have been consistently applied by the Society to all periods.

The financial statements are presented in Singapore Dollars (SGD or S\$), which is the Society's functional currency.

2.2 New or revised FRSs adopted

At beginning of the financial year, the Society adopted the new or revised FRSs that are mandatory for application from that date. The adoption of these standards did not have any effect on the financial performance or position of the Society.

2.3 Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less any accumulated depreciation and any accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

On disposal of an item of plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the profit or loss.

Depreciation on plant and equipment is calculated on a straight line basis over their estimated useful lives. The estimated useful lives are as follows:

Computer	-	3	years
Office equipment	-	3	years
Furniture & fittings	-	5	years
Renovation	-	5	years

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

2.4 Impairment of non-financial assets

The carrying amounts of the Society's non-financial assets, are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount is estimated.

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

An impairment loss is recognised if the carrying amount of an asset exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

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

2.5 Financial assets – Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets.

Loans and receivables are presented as other receivables as well as cash and cash equivalents in the statement of financial position.

Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date - the date on which the Society commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

Initial and subsequent measurement

Loans and receivables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

Impairment

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.6 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and short-term deposits with maturities of three months or less from the acquisition date that are subject to an insignificant risk of changes in their fair value.

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand, short term deposits with financial institutions which are subject to an insignificant risk of change in value, and bank overdrafts. Bank overdrafts are presented as current borrowings in the statement of financial position.

2.7 Operating leases

Where the Society is a lessee

Leases of assets where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the lease.

2.8 Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provision of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are initially recognised at fair value plus, in the case of financial liabilities not at fair value through profit or loss, directly attributable costs.

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Other financial liabilities.

After initial recognition, other financial liabilities are subsequently measured at amortised cost using the effective interest rate method.

Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability is extinguished.

For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised or impaired, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

2.9 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

2.10 Government grants

Government grants are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Society will comply with all the attached conditions.

Government grants that compensate expenses are presented separately as other income in match with the related costs incurred.

2.11 Currency translation

Functional and presentation currency

Items included in the financial statements of the Society are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The financial statements are presented in Singapore dollar which is the Society's functional currency.

2.12 Revenue recognition

- (a) Donations are recognised as and when the Society's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. This normally coincides with the receipt of the donation.
- (b) Interest income on operating funds is recognised on an actual basis on an effective interest basis.
- (c) All other income including membership subscriptions are recognised on an accrual basis.

2.13 Employee benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit under which an entity pays fixed contributions into a separate entity, on a mandatory, contractual or voluntary basis. The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme.

Obligations for contributions to defined contribution plans are recognized as an expense in the period in which the related service is performed.

2.14 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Society; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

2.15 Fair value estimation of financial assets, financial liabilities and finance lease liabilities

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

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, trade and other receivables, trade and other payables

The carrying amounts of these balances approximate their respective fair values due to the short-term nature of these balances.

2.16 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to a reporting entity if that person:
 - (i) has control or joint control over the reporting entity;
 - (ii) has significant influence over the reporting entity; or
 - (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

- (b) An entity is related to a reporting entity if any of the following conditions applies:
 - (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third party.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or any related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a).
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3. Critical accounting estimates, assumptions and judgements

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Plant and equipment

The Society reviews the residual values and useful lives of plant and equipment at the end of each reporting period. The estimation of the residual values and useful lives involves significant judgement.

(b) Estimated impairment of non-financial assets

Plant and equipment

The Society assesses at the end of each reporting period whether there is any objective evidence that any plant and equipment are impaired. To determine whether there is objective evidence of impairment, the Society considers factors such as the market condition and whether there is a significant prolonged decline in the values of these assets.

Where there is objective evidence of impairment for these assets, the difference between the cost and recoverable value is recognised as impairment loss in profit or loss. The recoverable value is the higher of value in use and fair value less cost to sell. Estimating the value in use requires the Society to make an estimate of the expected future cash flows from the Cash-generating Unit (CGU) and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

(c) Impairment of loans and receivables

Management reviews its loans and receivables for objective evidence of impairment annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded as an expense. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

(d) *Determination of functional currency*

Foreign currency transactions are measured in the functional currency of the Company. In determining the functional currency of the Company, judgment is required to determine the currency that mainly influences sale prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the Company is determined based on management's assessment of the economic environment in which it operates and the process of determining sales prices.

4. **Plant and equipment**

	Computers	Office equipment	Furniture & fittings	Renovation	Total
Cost	S\$	S\$	S\$	S\$	S\$
At 01/04/2011	24,465	-	-	-	24,465
Additions	-	1,263	-	-	1,263
At 31/03/2012	24,465	1,263	-	-	25,728
At 01/04/2012	24,465	1,263	-	-	25,728
Additions	3,371	16,247	3,103	64,225	86,946
At 31/03/2013	27,836	17,510	3,103	64,225	112,674
Accumulated depreciation					
At 01/04/2011	8,155	-	-	-	8,155
Depreciation charge	8,155	421	-	-	8,576
At 31/03/2012	16,310	421	-	-	16,731
At 01/04/2012	16,310	421	-	-	16,731
Depreciation charge	9,278	5,837	620	12,845	28,580
At 31/03/2013	25,588	6,258	620	12,845	45,311
Carrying amounts					
At 31/03/2012	8,155	842	-	-	8,997
At 31/03/2013	2,248	11,252	2,483	51,380	67,363

5. **Other receivables and deposits**

	2013	2012
	S\$	S\$
Other receivable	312,151	99,591
Deposits	8,885	8,435
Deposit for renovation	48,312	-
	369,348	108,026

6. Cash and cash equivalents	<u>2013</u>	<u>2012</u>
	S\$	S\$
Bank balance – Children and Youth Assistance Fund	21,410	13,519
Bank balance	1,124,629	846,294
Cash balances	<u>3,262</u>	<u>3,403</u>
Cash and cash equivalents as per statement of financial position	<u>1,149,301</u>	<u>863,216</u>
Less:		
Bank overdraft (Note 10)	-	(26,125)
Banker's guarantee	<u>(113,589)</u>	<u>-</u>
Cash and cash equivalents per statement of cash flows	<u>1,035,712</u>	<u>837,091</u>
<p>Banker's guarantee is pledged innovation to the security granted for tenancy agreement for Macpherson Sheng Hong Childcare Centre.</p>		
7. Restricted fund	<u>2013</u>	<u>2012</u>
	S\$	S\$
Accumulated fund brought forward	620,688	568,618
Surplus for the year	475,730	52,070
Accumulated fund carried forward	<u>1,096,418</u>	<u>620,688</u>
8. Unrestricted fund	<u>2013</u>	<u>2012</u>
	S\$	S\$
Accumulated fund brought forward	139,601	210,850
Surplus / (deficit) for the year	<u>39,638</u>	<u>(71,249)</u>
Accumulated fund carried forward	<u>179,239</u>	<u>139,601</u>
9. Special fund	<u>2013</u>	<u>2012</u>
	S\$	S\$
School Pocket Money Funds	18,915	3,338
School Pocket Money Funds – post sec	14,856	-
Lee Foundation	4,800	300
SRJC "I Will"	38,824	48,130
SP MCYS comcare	<u>8,550</u>	<u>-</u>
	<u>85,945</u>	<u>51,768</u>
10. Borrowings	<u>2013</u>	<u>2012</u>
	S\$	S\$
<i>Current</i>		
Bank overdraft	<u>-</u>	<u>26,215</u>
11. Other payables	<u>2013</u>	<u>2012</u>
	S\$	S\$
Deposits received	-	9,600
Accruals	98,952	49,782
Other payable	8,194	-
School fee received in advance	<u>119,710</u>	<u>84,850</u>
	<u>226,856</u>	<u>144,232</u>

12. Voluntary income	<u>2013</u>	<u>2012</u>
	S\$	S\$
Donation received – Tax exempted		
- Others	38,266	45,294
Donation received – Non tax exempted		
- Lorong Koo Chye Sheng Hong Temple Association	342,540	241,623
- Others	1,731	-
	<u>382,537</u>	<u>286,917</u>

Included in donation income are donations for which tax-exempt receipts have been issued of \$38,266 (2012: S\$45,294)

13. Other income	<u>2013</u>	<u>2012</u>
	S\$	S\$
Government subsidy for Child Care Leave	-	607
Government subsidy for Maternity Leave	-	8,500
Miscellaneous	35,849	24,323
	<u>35,849</u>	<u>33,430</u>

14. Staff costs	<u>2013</u>	<u>2012</u>
	S\$	S\$
Wages, salaries and bonuses	1,810,022	1,581,134
CPF contribution	211,210	188,231
	<u>2,021,232</u>	<u>1,769,365</u>

No of staff in remuneration bands:

	<u>2013</u>	<u>2012</u>
Annual remuneration		
Below S\$50,000	63	55
S\$50,000 – S\$100,000	5	5
	<u>5</u>	<u>5</u>

15. Income tax

The Society is an institution of public character under the Income Tax Act, Chapter 134. No provision for tax has been made in the financial statements as the Society is exempt from income tax.

16. Related party transactions	<u>2013</u>	<u>2012</u>
	S\$	S\$
<u>With an association – Lorong Koo Chye Sheng Hong Temple Association</u>		
Donation receipts – Non tax exempted	<u>342,540</u>	<u>240,585</u>

17. Operating lease commitments

Where the Society is a lessee

The Society leases photocopiers and premises under operating leases with fixed rental rates.

The lease terms range from two to five years, with option to extend the leases.

None of the operating lease arrangement confers an option to the Society to purchase the photocopier and premises.

Sub-leasing is not allowed under all the lease arrangements.

At year end, the Society has commitments for future minimum lease payments under non-cancellable operating leases as follows:

	<u>2013</u>	<u>2012</u>
	S\$	S\$
Not later than one year	503,375	493,926
Later than one year and not later than five years	412,959	870,664
	<u>916,334</u>	<u>1,364,590</u>

18. Financial risk management

The Society's activities expose it to credit risk, liquidity risk and market risk (including currency risk, interest rate risk and price risk). The Society's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Society's financial performance. The Society does not hedge its financial risk exposures.

The management committee are responsible for setting the objectives and underlying principles of financial risk management for the Society. They will establish the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society.

The Society has minimal risk because majority of the activities are on cash basis.

No financial assets carry a significant exposure to credit risks.

Liquidity risk

Liquidity risk refers to the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Society maintains sufficient cash and cash equivalents, funds from external parties on the basis of expected cash flow. This is generally carried out in accordance with practice and limits set by the Society.

The maturity analysis for financial liabilities is as follows:

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>(A)</u>	<u>(B)</u>	<u>(C)</u>
<u>2013</u>	S\$	S\$	S\$	S\$	S\$
Other payables	<u>107,146</u>	<u>107,146</u>	<u>107,146</u>	<u>-</u>	<u>-</u>
<u>2012</u>					
Other payables	<u>49,782</u>	<u>49,782</u>	<u>49,782</u>	<u>-</u>	<u>-</u>

(A): Not later than 1 year.

(B): Later than 1 year and not later than 5 years.

(C): Later than 5 years.

Market risk

Market risk refers to the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of currency risk, interest rate risk and other price risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Currency risk

The Society is not exposed to significant currency risk as most of the Society's transactions, assets and liabilities are denominated in functional currency.

Interest rate risk

The Society's exposure to interest rate risk is minimal as the Society has no significant interest-bearing assets and liabilities.

Price risk

The Society's exposure to price risk is minimal as the Society has no financial instruments exposed to price risk.

19. Classification of financial instruments

	Loans and receivables S\$	Financial liabilities at amortised cost S\$	Total S\$
2013			
Assets			
Other receivables and deposits	321,036	-	321,036
Cash and cash equivalents	1,149,301	-	1,149,301
Total financial assets	<u>1,470,337</u>	<u>-</u>	<u>1,470,337</u>
Liabilities			
Trade and other payables	-	107,146	107,146
Total financial liabilities	<u>-</u>	<u>107,146</u>	<u>107,146</u>
2012			
Assets			
Other receivables and deposits	108,026	-	108,026
Cash and cash equivalents	837,091	-	837,091
Total financial assets	<u>945,117</u>	<u>-</u>	<u>945,117</u>
Liabilities			
Trade and other payables	-	49,782	49,782
Total financial liabilities	<u>-</u>	<u>49,782</u>	<u>49,782</u>

20. New or revised FRSs not yet adopted

At the end of the reporting period, the Society has not adopted the following FRSs that have been issued but not yet effective:

	Effective for annual periods beginning on or after
▪ Amendment to FRS 1 <i>Presentation of Items of Other Comprehensive Income</i>	1 July 2012
▪ FRS 113 <i>Fair Value Measurement</i>	1 January 2013

The directors expect the adoption of above FRSs and amendments to FRSs will have no material impact on the financial statements in the period of initial application except for the following:

FRS 1 Presentation of Financial Statements - Amendments relating to Presentation of Items of Other Comprehensive Income (OCI)
(effective for financial periods beginning on or after 1 July 2012)

The amendments to FRS 1 change the grouping of items presented in OCI. Items that could be reclassified to profit or loss at a future point in time could be presented separately from items which will never be reclassified. As the amendments only affect the presentations of items that are already recognised in OCI, the Company does not expect any impact on its financial position or performance upon adoption of these amendments.

The amendments to FRS 1 are to be applied retrospectively.

FRS 113 Fair Value Measurement

(effective for financial periods beginning on or after 1 January 2013)

FRS 113 replaces the existing guidance on fair value measurement in different FRSs with a single definition of fair value. The standard also establishes a framework for measuring fair values and sets out the disclosure requirements for fair value measurements.

The adoption of this standard will require the Society to re-assess the bases used for determining the fair values computed for both measurement and disclosures purposes and would result in more extensive disclosures on fair value measurements.

The Society has yet to assess the full impact of FRS 113 and intends to adopt the standard from 2013.

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2013 (Supplementary schedule)

	Unrestricted Funds					Restricted Fund			Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Life Point	Society of Sheng Hong Welfare Services	Core Programme "FLE"	Programme TC & RC	Total	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Income									
<i>Voluntary income</i>									
Donation received - Exempt	344,271	-	-	-	38,266	-	-	-	38,266
Donation received - Non-exempt	344,271	-	-	-	38,266	-	-	-	344,271
<i>Fund generating activities</i>									
FSC funding - received from MCYS	-	-	-	-	-	648,615	-	-	648,615
FSC funding - received from Tote board	-	-	-	-	-	392,562	-	-	392,562
FSC funding - received from NCSS	-	-	-	-	-	208,548	-	219,958	208,548
Government grants	-	57,200	611,543	-	-	725	-	-	889,42
School fee	-	95,314	714,080	-	-	-	-	-	809,39
Holiday fees	-	6,300	-	-	-	-	-	-	6,30
Programme fee	-	4,106	152,100	-	-	28,649	16,962	5,098	206,91
Registration fees	-	745	5,140	-	-	-	-	-	5,88
Insurance fees	-	187	2,291	-	-	-	-	-	2,25
Sundry income	-	-	16,014	160	-	195	-	-	16,20
Membership fees	-	-	-	-	-	16,054	-	-	16,22
Other subsidies	-	166	-	-	-	-	-	-	35
	-	164,018	1,501,168	160	-	1,295,348	16,962	225,056	3,202,71
<i>Other income</i>									
Other income	-	6,784	15,509	-	-	13,556	-	-	35,84
	-	6,784	15,509	-	-	13,556	-	-	35,84
Total income	344,271	170,802	1,516,677	160	38,266	1,308,904	16,962	225,056	3,621,09

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2013 (Supplementary schedule)

	Unrestricted Funds				Restricted Fund			Total	
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Life Point	Society of Sheng Hong Welfare Services	Core Programme	Programme "FLE"		Programme TC & RC
	S\$	S\$	S\$	S\$	S\$	S\$	S\$		S\$
Expenditure									
Cost of charitable activities									
Admin expenses	-	-	-	-	54	312	-	78	444
Bank charges	100	3	1,864	3	-	498	-	125	2,593
Books & resources	-	12	-	99	-	436	-	109	656
Cleaning fees	-	295	6,304	111	-	740	-	185	7,635
Client assistance - DHI	-	-	-	-	-	1,135	-	-	1,135
Contract services	-	1,360	-	-	-	-	-	-	1,360
CPF, FWL and SDL	-	17,710	119,848	611	-	92,903	-	-	231,072
Depreciation	-	421	22,629	1,123	-	674	-	168	28,580
Disbursements	-	-	-	-	-	-	-	-	2,109
Disbursements - Other financial Assistance	-	-	-	-	-	(500)	-	-	(500)
Email & internet charges	-	2,708	3,482	119	-	2,166	-	542	9,017
Food & marketing expenses	-	6,957	30,807	-	-	-	-	-	37,764
Insurance	-	1,771	8,558	54	-	7,833	-	181	18,397
Licence fees	-	-	-	-	-	80	-	20	100
Medical benefits	-	1,220	5,928	61	-	3,353	-	-	10,562
Office equipment (lease)	-	-	4,751	212	-	2,660	-	665	8,288
Office equipment (purchase)	-	288	798	838	-	2,087	-	522	4,533
Office refreshment	-	-	-	-	-	715	-	179	894
Office supplies	-	126	2,657	38	-	415	-	104	3,340
Postage and courier	-	16	77	-	-	169	-	42	304
Expenditure carried forward	100	32,887	207,703	3,269	5,728	115,676	-	2,920	368,283

2013 - (cont'd)

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2013 (Supplementary schedule)

	Unrestricted Funds				Restricted Fund			Total	
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Life Point	Society of Sheng Hong Welfare Services	Core Programme	Programme "FLE"		Programme TC & RC
	S\$	S\$	S\$	S\$	S\$	S\$	S\$		S\$
Expenditure brought forward	100								368,283
Pre-employment check-up	-	32,887	207,703	3,269	5,728	115,676	-	2,920	774
Printing & stationery	-	1,845	639	-	-	135	-	-	14,159
Programme expenses	-	4,519	6,950	988	300	3,261	-	815	228,718
Publicity & promotion	-	469	137,627	-	-	29,789	21,068	35,715	3,808
Rental	-	3,248	39	300	-	2,400	-	600	499,350
Salary and bonus	-	142,878	486,161	1,685	-	6,605	-	1,651	1,811,315
Staff recruitment	-		864,523	3,700	-	644,882	-	155,332	2,850
Staff training / Seminar	-	1,000	1,072	-	-	1,778	-	-	38,419
Staff welfare	-	1,967	11,378	13	-	26,041	-	-	23,560
Subscription fees	-	-	8,765	-	-	12,815	-	-	675
Sundry expenses	-	-	564	-	-	89	-	22	24
Telephone & fax charges	-	-	24	-	-	-	-	-	4,251
Transportation fees	-	525	1,113	608	-	1,604	-	401	4,226
Upkeep of computers	-	1,956	4,271	25	-	3,361	-	840	11,457
Upkeep of office equipments	-	910	3,584	-	-	4,184	-	1,046	7,208
Upkeep of office premises	-	610	4,415	-	-	2,171	-	543	6,395
Utilities	-	10,219	33,361	62	-	19,213	-	274	67,658
	100	203,033	1,772,189	10,650	6,028	875,100	21,068	4,803	3,093,130
Government cost	-	-	-	-	-	-	-	-	-
Audit fee	-	3,000	3,300	-	2,100	2,800	-	700	11,900
Professional fees	-	-	-	-	-	560	-	140	700
	-	3,000	3,300	-	2,100	3,360	-	840	12,600

2013 - (cont'd)

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2013 (Supplementary schedule)

	Unrestricted Funds				Restricted Fund				Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Life Point	Society of Sheng Hong Welfare Services	Core Programme S\$	Programme "FLE" S\$	Programme TC & RC S\$	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Total expenditure	100	206,033	1,775,489	10,650	8,128	878,460	21,068	205,802	3,105,730
Surplus / (deficit) for the year	344,171	(35,231)	(258,812)	(10,490)	30,138	430,444	(4,106)	19,254	515,368
Transfer between funds	-	-	-	-	(4,106)	-	4,106	-	-
Transfer between funds	-	-	-	-	19,254	-	-	(19,254)	-
Transfer between funds	(304,533)	35,231	258,812	10,490	-	-	-	-	-
Net surplus for the year	39,638	-	-	-	45,286	430,444	-	-	515,368
Total fund brought forward	139,601	-	-	-	190,183	430,505	-	-	760,289
Total fund carried forward	179,239	-	-	-	235,469	860,949	-	-	1,275,657

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2012 (Supplementary schedule)

	Unrestricted Funds			Restricted Fund			Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Family Service Centre	Programme TC & RC	
	S\$	S\$	S\$	Core Programme S\$	Programme "FLE" S\$	Programme S\$	
Income							
<i>Voluntary income</i>							
Donation received - Exempt	-	-	-	-	-	-	45,294
Donation received - Non-exempt	241,623	-	-	-	-	-	241,623
	241,623	-	-	-	-	-	286,917
<i>Fund generating activities</i>							
FSC Funding - received from MCYS	-	-	-	-	-	115,838	524,851
FSC Funding - received from NCSS	-	-	-	-	-	-	139,065
FSC Funding - received from Tote Board	-	-	-	-	-	58,054	319,822
FLE	-	-	-	-	17,780	-	17,780
RC & TC	-	5,989	115,784	10,368	-	3,840	3,840
Fund received for programme	-	-	-	(98,758)	-	-	132,141
Overfunding - previous year	-	39,543	536,599	1,059	-	-	(98,758)
Government grants	-	7,060	-	-	-	-	577,201
Holiday fee	-	-	-	-	-	-	7,060
Membership	-	-	-	186	-	-	186
Miscellaneous	-	111	14,234	-	-	-	14,234
Other subsidy	-	705	3,950	30,647	-	-	30,758
Registration fee	-	116,355	627,857	-	-	-	4,655
School fee	-	169,763	1,298,424	753,348	17,780	177,732	744,212
	-	-	-	-	-	-	2,417,047
<i>Other income</i>							
Government subsidy for Child Care Leave	-	-	-	607	-	-	607
Government subsidy for Maternity Leave	-	-	-	8,500	-	-	8,500
Job credits	-	-	-	-	-	-	-
Miscellaneous	-	61	22,512	1,750	-	-	24,323
	-	61	22,512	10,857	-	-	33,430
Total income	241,623	169,824	1,320,936	764,205	17,780	177,732	2,737,394

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2012 (Supplementary schedule)

2012 - (cont'd)

	Unrestricted Funds					Restricted Fund			Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre	Society of Sheng Hong Welfare Services		Hougang Sheng Hong Family Service Centre			
	S\$	S\$	S\$	S\$	Core Programme S\$	Programme "FLE" S\$	Programme TC & RC S\$	S\$	
Expenditure									
Cost of charitable activities									
Admin charges	80	-	-	23	450	-	-	-	473
Bank charges	-	6	5,655	-	248	-	-	-	5,989
Book & resources	-	106	-	-	149	-	37	-	292
Children and Youth Assistance Funds	-	-	-	960	-	-	-	-	960
Cleaning materials	-	260	5,351	-	-	-	-	-	7,310
Communications	-	3,338	4,155	-	1,359	-	340	-	7,310
CPF, FWL, and SDL	-	19,707	97,258	-	3,886	-	972	-	12,351
Depreciation	-	421	4,107	3,565	61,358	-	19,651	-	197,974
Food and marketing	-	7,508	28,692	-	387	-	97	-	8,577
General expenses	-	-	1,466	-	-	-	-	-	36,200
Insurance	-	2,164	8,909	-	-	-	-	-	1,466
License fee	-	-	-	-	7,100	-	181	-	18,354
Leasing of office equipment	-	-	-	-	100	-	-	-	100
Medical expenses	-	4,965	3,484	-	6,256	-	1,564	-	16,269
Office supplies	-	1,210	5,824	-	2,873	-	-	-	9,907
Printing and stationery	-	139	-	-	349	-	87	-	575
Postage and courier	-	1,246	7,644	230	4,318	-	1,080	-	14,518
Programme expenses	-	13	102	-	222	-	55	-	392
Publicity education and publicity	-	6,137	123,931	-	18,100	21,234	33,342	-	202,744
Purchase of new office equipment	-	2,309	4,005	-	3,687	-	922	-	10,923
Recruitment	-	1,055	4,160	-	964	-	241	-	6,420
Refreshment	-	-	400	-	882	-	-	-	1,282
Rental	-	3,249	439,860	-	599	-	150	-	749
Repair and maintenance - Building	-	292	12,482	-	6,605	-	1,651	-	451,365
Repair and maintenance - Computer and IT services	-	1,715	3,308	-	1,773	-	443	-	14,990
Repair and maintenance - Office equipment	-	668	3,783	-	2,495	-	624	-	8,142
Salaries and bonus	-	147,905	748,792	-	2,652	-	663	-	7,766
Staff training / Seminar	-	2,166	11,728	-	539,389	-	145,048	-	1,581,134
Staff welfare	-	2,898	14,333	-	12,213	-	-	-	26,107
Subscription	-	-	781	-	8,212	-	-	-	25,443
Transport	-	-	20	-	769	-	192	-	1,742
Utilities	-	10,574	31,708	-	2,216	-	554	-	2,790
	-	220,051	1,571,938	-	708,750	-	212,679	-	2,739,510

2012 (cont'd)

Government cost												
Audit fee	-	3,000	3,000	2,000	3,500	-	-	-	-	-	-	11,500
Professional fee	-	3,000	8,563	2,000	3,500	-	-	-	-	-	-	5,563
	-	3,000	8,563	2,000	3,500	-	-	-	-	-	-	17,063
Total expenditure	-	223,051	1,580,501	2,000	712,250	-	-	-	212,679	-	-	2,756,573
(Deficit) / surplus for the year	241,543	(53,227)	(259,565)	43,294	51,955	17,780	(34,947)	(19,179)				
Transfer between funds	-	-	-	(3,454)	-	3,454	-	-	-	-	-	-
Transfer between funds	-	-	-	(34,947)	-	-	34,947	-	-	-	-	-
Transfer between funds	(312,792)	53,227	259,565	-	-	-	-	-	-	-	-	-
Net deficit for the year	(71,249)	-	-	4,893	51,955	21,234	-	(19,179)	-	-	-	-
Total fund brought forward	210,850	-	-	190,068	378,550	-	-	-	-	-	-	779,468
Total fund carried forward	139,601	-	-	194,961	430,505	21,234	-	760,289	-	-	-	-