

SOCIETY OF SHENG HONG WELFARE SERVICES

ROS. No.316/99WEL

UEN. No. T00SS0066C

Charity. No. 1437

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2012

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SOCIETY OF SHENG HONG WELFARE SERVICES

CORPORATE INFORMATION

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

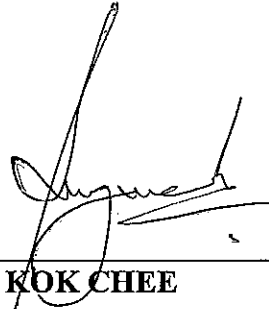
In the opinion of the Board Members:

The financial statements are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 March 2012 and the results, and cash flows of the Society for the year ended on that date.

On behalf of the Board Members



LING KIN HUAT
President



SOONG KOK CHEE
Treasurer

Date: **24 AUG 2012**

ONG TEH PAC

(Regn No. 201216230N)

Certified Public Accountants

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, which comprise the statement of financial position as at 31 March 2012, 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 of financial statements that give a true and fair view in accordance with the provisions of the Society Act, Cap.311 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statement of financial position and to maintain accountability of assets.

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 of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

ONG TEH PAC

(Regn. No. 201216230N)

Certified Public Accountants

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.

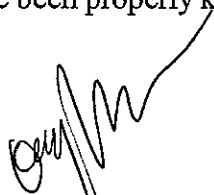
The Society derives a substantial proportion of its income from voluntary donations. Because of the nature of these donations, the Society cannot provide accounting controls over contributions prior to the initial entry in the accounting records. Accordingly, it was impracticable to extend our examination beyond the receipts recorded.

Opinion

In our opinion, except for the effects of the matter discussed in the preceding paragraph, 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 provisions of the Society Act, Cap. 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Society as at 31 March 2012 and of the financial activities 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 Act to be kept by the Society have been properly kept in accordance with the provisions of the Act.



ONG TEH PAC

Public Accountants and

Certified Public Accountants

Singapore

Date: **24 AUG 2012**

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2012

	<u>Note</u>	<u>2012</u> S\$	<u>2011</u> S\$
ASSETS			
<i>Non-current assets</i>			
Plant and equipment	4	8,997	16,310
<i>Current assets</i>			
Other receivables and deposits	5	108,026	88,549
Prepayments		2,175	3,835
Cash and bank balances	6	837,091	881,881
		<u>947,292</u>	<u>974,265</u>
<i>Total assets</i>		<u>956,289</u>	<u>990,575</u>
EQUITY AND LIABILITIES			
<i>Equity</i>			
Restricted fund	7	620,688	568,618
Unrestricted fund	8	139,601	210,850
		760,289	779,468
<i>Current liabilities</i>			
Special fund	9	51,768	38,715
Other payables	10	144,232	172,392
		<u>196,000</u>	<u>211,107</u>
<i>Total equity and liabilities</i>		<u>956,289</u>	<u>990,575</u>

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 2012

	Unrestricted Funds				Restricted Fund				Total
	Society of Sheng Hong Welfare Services		Hougang Sheng Hong Student Care Centre		Society of Sheng Hong Welfare Services		Hougang Sheng Hong Family Service Centre		
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Macpherson Sheng Hong Childcare Centre		Core Programme	Programme "FLE"	Programme TC & RC		
Note	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
Income									
Voluntary income	11	241,623	-	-	45,294	-	-	-	286,917
Fund generating activities		-	169,763	1,298,424	-	753,348	17,780	177,732	2,417,047
Other income	12	-	61	22,512	-	10,857	-	-	33,430
Total income		241,623	169,824	1,320,936	45,294	764,205	17,780	177,732	2,737,394
Expenditure									
Cost of charitable activities		80	220,051	1,571,938	4,778	708,750	21,234	212,679	2,739,510
Government cost		-	3,000	8,563	2,000	3,500	-	-	17,063
Total expenditure		80	223,051	1,580,501	6,778	712,250	21,234	212,679	2,756,573
Surplus / (deficit) for the year		241,543	(53,227)	(259,565)	38,516	51,955	(3,454)	(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	-	-	-	-	-
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	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 Comprehensive Income For The Year Ended 31 March 2011

	Unrestricted Funds			Restricted Fund			Total
	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Student Care Centre	Maipherson Sheng Hong Childcare Centre	Society of Sheng Hong Welfare Services	Hougang Sheng Hong Family Service Centre	Programme TC & RC	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Income							
Voluntary income	300,010	-	-	107,525	-	-	407,535
Fund generating activities	-	179,681	1,207,149	-	990,474	152,161	2,551,994
Other income	-	1,318	4,491	-	8,025	-	13,834
Total income	300,010	180,999	1,211,640	107,525	998,499	152,161	2,973,363
Expenditure							
Cost of charitable activities	30	244,248	1,522,728	8,172	826,610	173,575	2,798,848
Government cost	-	3,000	3,555	1,500	38,078	-	46,133
Total expenditure	30	247,248	1,526,283	9,672	864,688	173,575	2,844,981
Surplus / (deficit) for the year	299,980	(66,249)	(314,643)	97,853	133,811	(21,414)	128,382
Transfer between funds	-	-	-	(956)	-	-	-
Transfer between funds	-	-	-	(21,414)	-	21,414	-
Transfer between funds	(380,892)	66,249	314,643	-	-	-	-
Nets (deficit) / surplus for the year	(80,912)	-	-	75,483	133,811	-	128,382
Total fund brought forward	291,762	-	-	114,585	244,739	-	651,086
Total fund carried forward	210,850	-	-	190,068	378,550	-	779,468

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 2012**

	<u>Note</u>	<u>2012</u> S\$	<u>2011</u> S\$
OPERATING ACTIVITIES			
Surplus for the year		(52,408)	114,548
Adjustments for			
Depreciation and amortisation		8,576	110
Bad debts written off		-	8,155
		(43,832)	122,813
Changes in working capital			
(Increase)/decrease in other receivables		(21,021)	93,014
(Decrease)/(increase) in other payables		(25,157)	30,087
Increase/(decrease) in special fund		13,053	(8,997)
Cash generated (used in)/ from operations		(76,957)	236,917
INVESTING ACTIVITIES			
Purchases of plant and equipment		(1,263)	(13,771)
Net cash used in investing activities		(1,263)	(13,771)
FINANCING ACTIVITIES			
Government grant		33,430	13,834
Net cash from financing activities		33,430	13,834
Net (decrease)/ increase in cash and cash equivalents		(44,790)	236,980
Cash and cash equivalents at beginning of year		881,881	644,901
Cash and cash equivalents at end of year	6	837,091	881,881

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	: 316/99WEL
Date of Establishment	: 26 April 2000
Charity Registration No	: 1437
Charity Registration Date	: 26 April 2000

IPC status:

Effective Date	: 01/10/2009 – 31/12/2012
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 and
- (iii) 175 Macpherson Road, Singapore 348537.

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, Cap.311, Charity Act, Cap.37 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 Company'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.

Changes to the Society accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS.

The following are the new or revised FRSs that are relevant to the Society:

FRS 24 Related Party Disclosures

(effective for annual periods beginning on or after 1 January 2011)

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised Standard expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity.

The revised Standard also provides a partial exemption of related party disclosure requirements for government-related entities, in relation to the disclosure of transactions, outstanding balances and commitments. Where such exemptions apply, the reporting entity has to make additional disclosures, including the nature of the government's relationship with the reporting entity and information on significant transactions or group of transactions involved.

In the period of initial adoption, the changes to related party disclosures, if any, will be applied retrospectively with restatement of the comparative information.

The adoption of these standards and interpretations 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 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 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

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

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 bank balances 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 Fair value estimation of financial assets and liabilities

The fair values of financial assets and liabilities carried at amortised cost reasonably approximate their carrying amounts.

2.7 Cash and bank balances

Cash and bank balances comprise cash on hand and deposits with financial institutions.

2.8 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.

2.9 Other payables

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

2.10 Provisions

Provisions are recognized when the society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognized for future operating losses.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in profit or loss when the changes arise.

2.11 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.

2.12 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.

2.13 Revenue recognition

(a) *Voluntary Income*

Voluntary income is received by way of donations and included in full in the statement of financial activities when receivable.

(b) *Income generating activities*

Income is recognized upon due and received.

2.14 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.

2.15 Contingencies

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

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

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 are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates.

(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.

4. Plant and equipment	<u>2012</u>	<u>2011</u>
	S\$	S\$
Computer		
Cost		
At beginning of year	24,465	10,694
Additions	<u>1,263</u>	<u>13,771</u>
At end of year	<u><u>25,728</u></u>	<u><u>24,465</u></u>
Accumulated amortisation		
At beginning of year	8,155	-
Amortisation charge	<u>8,576</u>	<u>8,155</u>
At end of year	<u><u>16,731</u></u>	<u><u>8,155</u></u>
Carrying amounts	<u><u>8,997</u></u>	<u><u>16,310</u></u>
5. Other receivables and deposits	<u>2012</u>	<u>2011</u>
	S\$	S\$
Other receivable	99,591	80,244
Deposits	<u>8,435</u>	<u>8,305</u>
	<u><u>108,026</u></u>	<u><u>88,549</u></u>

6. Cash and cash equivalents	<u>2012</u>	<u>2011</u>
	S\$	S\$
Bank balance – Children and Youth Assistance Fund	13,519	14,479
Bank balance	846,294	859,974
Cash balances	<u>3,403</u>	<u>7,428</u>
Cash and cash equivalents	863,216	881,881
Bank overdraft (Note 10)	<u>(26,125)</u>	<u>-</u>
Cash and cash equivalents per statement of cash flows	<u><u>837,091</u></u>	<u><u>881,881</u></u>
7. Restricted fund	<u>2012</u>	<u>2011</u>
	S\$	S\$
Accumulated fund brought forward	568,618	359,324
Surplus for the year	<u>52,070</u>	<u>209,294</u>
Accumulated fund carried forward	<u><u>620,688</u></u>	<u><u>568,618</u></u>
8. Unrestricted fund	<u>2012</u>	<u>2011</u>
	S\$	S\$
Accumulated fund brought forward	210,850	291,762
(Deficit) / surplus for the year	<u>(71,249)</u>	<u>(80,912)</u>
Accumulated fund carried forward	<u><u>139,601</u></u>	<u><u>210,850</u></u>
9. Special fund	<u>2012</u>	<u>2011</u>
	S\$	S\$
School Pocket Money Funds	3,338	19,644
Lee Foundation	300	1,690
SRJC “I Will”	48,130	15,731
Economic Downturn Assistance Fund (EDAF)	<u>-</u>	<u>1,650</u>
	<u><u>51,768</u></u>	<u><u>38,715</u></u>
10. Borrowings	<u>2012</u>	<u>2011</u>
	S\$	S\$
<i>Current</i>		
Bank overdraft	<u>26,215</u>	<u>-</u>
11. Other payables	<u>2012</u>	<u>2011</u>
	S\$	S\$
Deposits received	9,600	92,590
Accruals	49,782	76,816
Other payable	-	250
School fee received in advance	<u>84,850</u>	<u>2,736</u>
	<u><u>144,232</u></u>	<u><u>172,392</u></u>
12. Voluntary income	<u>2012</u>	<u>2011</u>
	S\$	S\$
Donation received – Tax exempted		
- Others	45,294	107,525
Donation received – Non tax exempted		
- Lorong Koo Chye Sheng Hong Temple Association	241,623	300,000
- Others	<u>-</u>	<u>10</u>
	<u><u>286,917</u></u>	<u><u>407,535</u></u>

13. Other income	<u>2012</u>	<u>2011</u>
	S\$	S\$
Government subsidy for Child Care Leave	607	656
Government subsidy for Maternity Leave	8,500	1,439
Government grant – Jobs Credit Scheme	-	8,664
Miscellaneous	24,323	3,075
	<u>33,430</u>	<u>13,834</u>

14. Staff costs	<u>2012</u>	<u>2011</u>
	S\$	S\$
Wages, salaries and bonuses	1,581,134	1,598,771
CPF contribution	188,231	184,103
Foreign worker levy	6,120	3,468
Medical fee	9,907	6,047
Skills development levy	3,623	3,566
Staff welfare	25,441	18,700
	<u>1,814,456</u>	<u>1,814,655</u>

No of staff in remuneration bands:

	<u>2012</u>	<u>2011</u>
Annual remuneration		
Below S\$50,000	55	48
S\$50,000 – S\$100,000	5	5
	<u>5</u>	<u>5</u>

15. Related party transactions	<u>2012</u>	<u>2011</u>
	S\$	S\$
<u>With an association – Lorong Koo Chye Sheng Hong Temple Association</u>		
Donation receipts – Non tax exempted	<u>240,585</u>	<u>300,000</u>

16. 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 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>2012</u>	<u>2011</u>
	S\$	S\$
Not later than one year	493,926	133,038
Later than one year and not later than five years	870,664	13,317
	<u>1,364,590</u>	<u>146,355</u>

17. 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:

	Carrying amount	Contractual cash flows	(A)	(B)	(C)
<u>2012</u>	S\$	S\$	S\$	S\$	S\$
Other payables	<u>51,768</u>	<u>51,768</u>	<u>51,768</u>	<u>-</u>	<u>-</u>
<u>2011</u>					
Other payables	<u>38,715</u>	<u>38,715</u>	<u>38,715</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.

18. New or revised FRSs not yet adopted

The Society has not adopted the following FRSs that have been issued but not yet effective:

Amendments to FRS 1 Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income

(effective for annual periods beginning on or after 1 July 2012)

The amendments to FRS 1 enhances the presentation of items of other comprehensive income (OCI) by requiring companies to present separately items of OCI that may be reclassified to profit or loss in the future from those that would never be reclassified to profit or loss. Consequently an entity that presents items of OCI before related tax effects will also have to allocate the aggregated tax amount between these sections respectively.

The amendments to FRS 1 are to be applied retrospectively.

FRS 19 Employee Benefits

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

The revised FRS 19 replaces the existing FRS 19 in its entirety. A key change arising from the revised FRS 19 would be that all actuarial gains and losses will now have to be recognised immediately in other comprehensive income.

In addition, the expected return on plan assets recognised in profit or loss will be calculated based on the rate used to discount the defined benefit obligation. The revised FRS 19 has also introduced enhanced disclosure requirements for defined benefit plans and clarified certain areas of diverse application of FRS 19.

The revised FRS 19 requires retrospective application with certain exceptions.

The Society has not considered the impact of FRSs issued after the reporting period.

**The following pages do not form
an integral part of the financial statements.**

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			
	S\$	S\$	S\$	S\$	Core Programme S\$	Programme "FLE" S\$	Programme TC & RC S\$	
Income								
<i>Voluntary income</i>								
Donation received - Exempt	-	-	-	45,294	-	-	-	45,294
Donation received - Non-exempt	241,623	-	-	-	-	-	-	241,623
	241,623	-	-	45,294	-	-	-	286,917
<i>Fund generating activities</i>								
FSC Funding - received from MCYS	-	-	-	-	409,013	-	115,838	524,851
FSC Funding - received from NCSS	-	-	-	-	139,065	-	-	139,065
FSC Funding - received from Tote Board	-	-	-	-	261,768	17,780	58,054	319,822
FLE	-	-	-	-	-	-	-	17,780
RC & TC	-	-	-	-	-	-	3,840	3,840
Fund received for programme	-	5,989	115,784	-	10,368	-	-	132,141
Overfunding - previous year	-	-	-	-	(98,758)	-	-	(98,758)
Government grants	-	39,543	536,599	-	1,059	-	-	577,201
Holiday fee	-	7,060	-	-	-	-	-	7,060
Membership	-	-	-	-	-	-	-	186
Miscellaneous	-	-	14,234	-	186	-	-	14,234
Other subsidy	-	111	-	-	-	-	-	30,758
Registration fee	-	705	3,950	-	30,647	-	-	4,655
School fee	-	116,355	627,857	-	-	-	-	744,212
	-	169,763	1,298,424	-	753,348	17,780	177,732	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	-	-	-	-	-	-	-	0
Miscellaneous	-	61	22,512	-	1,750	-	-	24,323
	-	61	22,512	-	10,857	-	-	33,430
Total income	241,623	169,824	1,320,936	45,294	764,205	17,780	177,732	2,757,394

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	Core Programme	Programme "FLE"	Programme TC & RC	
	S\$	S\$	S\$	S\$	S\$	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	-	1,359	-	340	7,310
Communications	-	3,338	4,155	-	3,886	-	972	12,351
CPF, FWL, and SDL	-	19,707	97,258	-	61,358	-	19,651	197,974
Depreciation	-	421	4,107	3,565	387	-	97	8,577
Food and marketing	-	7,508	28,692	-	-	-	-	36,200
General expenses	-	-	1,466	-	-	-	-	1,466
Insurance	-	-	8,909	-	-	-	-	18,354
License fee	-	2,164	-	-	7,100	-	181	100
Leasing of office equipment	-	-	-	-	100	-	-	16,269
Medical expenses	-	4,965	3,484	-	6,256	-	1,564	9,907
Office supplies	-	1,210	5,824	-	2,873	-	-	575
Printing and stationery	-	139	-	-	349	-	87	14,518
Postage and courier	-	1,246	7,644	230	4,318	-	1,080	392
Programme expenses	-	13	102	-	222	-	55	202,744
Publicity education and publicity	-	6,137	123,931	-	18,100	21,234	33,342	10,923
Purchase of new office equipment	-	2,309	4,005	-	3,687	-	922	6,420
Recruitment	-	1,055	4,160	-	964	-	241	1,282
Refreshment	-	-	400	-	882	-	-	749
Rental	-	-	-	-	599	-	150	451,365
Repair and maintenance - Building	-	3,249	439,860	-	6,605	-	1,651	14,990
Repair and maintenance - Computer and IT services	-	292	12,482	-	1,773	-	443	8,142
Repair and maintenance - Office equipment	-	1,715	3,308	-	2,495	-	624	7,766
Salaries and bonus	-	668	3,783	-	2,652	-	663	1,581,134
Staff training / Seminar	-	147,905	748,792	-	539,389	-	145,048	26,107
Staff welfare	-	2,166	11,728	-	12,213	-	-	25,443
Subscription	-	2,898	14,333	-	8,212	-	-	1,742
Transport	-	-	781	-	769	-	192	2,790
Utilities	-	-	20	-	2,216	-	554	66,206
	80	10,574	31,708	4,778	708,750	21,234	4,785	2,739,510
		220,051	1,571,938					

2012 (cont'd)

Government cost									
Audit fee	-	3,000	3,000	2,000	3,500	-	-	-	11,500
Professional fee	-	-	5,563	-	-	-	-	-	5,563
	-	3,000	8,563	2,000	3,500	-	-	-	17,063
Total expenditure	80	223,051	1,580,501	6,778	712,250	21,234	212,679	2,756,573	
Surplus / (deficit) for the year	241,543	(53,227)	(259,565)	38,516	51,955	(3,454)	(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	-	-	-	-	-	-
Nets (deficit) / 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	430,505	-	-	760,289	

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2011 (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		
	S\$	S\$	S\$	Core Programme S\$	Programme "FLE" S\$	Programme TC & RC S\$	S\$
Income							
<i>Voluntary income</i>							
Donation received - Exempt	-	-	-	107,525	-	-	107,525
Donation received - Non-exempt	300,010	-	-	-	-	-	300,010
	300,010	-	-	107,525	-	-	407,535
<i>Fund generating activities</i>							
FSC Funding - received from MCYS	-	-	-	-	-	74,068	555,077
FSC Funding - received from NCSS	-	-	-	-	-	25,183	186,872
FSC Funding - received from Tote Board	-	-	-	-	-	47,403	352,414
Fund received for programme	-	5,588	108,445	-	22,529	5,507	165,579
Government grants	-	38,988	476,766	-	-	-	516,186
Holiday fee	-	8,040	160	-	-	-	8,200
Membership	-	-	-	-	-	-	277
Miscellaneous	-	285	35,402	-	-	-	37,341
Other subsidy	-	-	-	-	-	-	16,892
Registration fee	-	435	-	-	-	-	435
School fee	-	126,345	586,376	-	-	-	712,721
	-	179,681	1,207,149	-	22,529	152,161	2,551,994
<i>Other income</i>							
Government subsidy for Child Care Leave	-	152	-	-	-	-	656
Government subsidy for NS Service	-	-	-	-	-	-	1,439
Job credits	-	1,166	4,491	-	-	-	8,664
Miscellaneous	-	-	-	-	-	-	3,075
	-	1,318	4,491	-	-	-	13,834
Total income	300,010	180,999	1,211,640	107,525	22,529	152,161	2,973,363

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2011 (Supplementary schedule)

2011 - (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	Programme TC & RC	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Expenditure							
Cost of charitable activities							
Admin charges	-	-	-	8	-	-	8
Bank charges	30	3	398	135	287	-	853
Bad debts written off	-	110	-	-	-	-	110
Children and Youth Assistance Funds	-	-	-	4,324	-	-	4,324
Cleaning materials	-	742	4,726	-	1,038	-	6,506
Communications	-	3,333	3,768	-	4,295	-	11,873
Contract service	-	16	-	-	56	477	72
CPF, FWL, and SDL	-	23,999	87,324	-	69,006	10,808	191,137
Depreciation	-	-	4,107	3,565	483	-	8,155
Food and marketing	-	7,628	26,253	140	-	-	33,881
General expenses	-	230	84	-	-	-	454
Insurance	-	1,823	9,398	-	6,258	173	17,652
Leasing of office equipment	-	2,825	3,801	-	3,326	-	9,952
Medical expenses	-	356	5,115	-	524	-	5,995
Office supplies	-	158	2,088	-	456	-	2,702
Penalty and fines	-	200	-	-	-	-	200
Printing and stationery	-	360	8,301	-	5,253	584	14,498
Postage and courier	-	16	113	-	213	-	342
Programme expenses	-	6,984	107,109	-	60,726	31,900	230,204
Publicity education and publicity	-	1,129	2,461	-	1,099	103	4,792
Purchase of new office equipment	-	99	3,000	-	4,379	-	7,478
Recruitment	-	52	475	-	1,030	-	1,557
Refreshment	-	-	-	-	1,271	-	1,271
Rental	-	2,950	424,426	-	8,282	-	435,658
Repair and maintenance - Building	-	2,104	11,330	-	451	-	13,885
Repair and maintenance - Computer and IT services	-	1,827	7,312	-	6,808	-	16,703
Repair and maintenance - Office equipment	-	1,090	7,808	-	3,285	756	12,183
Expenditure carried forward	30	58,034	719,397	8,172	178,526	44,801	1,032,445

Expenditure carried forward

SOCIETY OF SHENG HONG WELFARE SERVICES

Statement of Comprehensive Income For The Year Ended 31 March 2011 (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			
	S\$	S\$	S\$	S\$	Core Programme S\$	Programme "FLE" S\$	Programme TC & RC S\$	
Expenditure brought forward	30	58,034	719,397	8,172	178,526	23,485	44,801	1,032,445
Salaries and bonus	-	171,793	737,042	-	564,553	-	125,383	1,598,771
Staff training / Seminar	-	562	25,670	-	55,086	-	1,124	82,442
Staff welfare	-	2,616	9,928	-	6,156	-	-	18,700
Subscription	-	-	815	-	279	-	-	1,094
Transport	-	-	52	-	1,607	-	-	1,659
Utilities	-	11,243	29,824	-	20,403	-	2,267	63,737
	30	244,248	1,522,728	8,172	826,610	23,485	173,575	2,798,848
Government cost	-	-	-	-	-	-	-	-
Audit fee	-	3,000	3,175	1,500	3,500	-	-	11,175
Professional fee	-	-	380	-	34,578	-	-	34,958
	-	3,000	3,555	1,500	38,078	-	-	46,133
Total expenditure	30	247,248	1,526,283	9,672	864,688	23,485	173,575	2,844,981
Surplus / (deficit) for the year	299,980	(66,249)	(314,643)	97,853	133,811	(956)	(21,414)	128,382
Transfer between funds	-	-	-	(956)	-	956	-	-
Transfer between funds	-	-	-	(21,414)	-	-	21,414	-
Transfer between funds	(380,892)	66,249	314,643	-	-	-	-	-
Nets (deficit) / surplus for the year	(80,912)	-	-	75,483	133,811	-	-	128,382
Total fund brought forward	291,762	-	-	114,585	244,739	-	-	651,086
Total fund carried forward	210,850	-	-	190,068	378,550	-	-	779,468