

SOCIETY OF SHENG HONG WELFARE SERVICES

UEN No: T00SS0066C
(Incorporated in Singapore)

Annual Report for the Financial Year Ended
31 March 2026

CREDO ASSURANCE LLP

**Public Accountants and
Chartered Accountants of Singapore**

Registration no. T15LL0120C
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SOCIETY OF SHENG HONG WELFARE SERVICES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

GENERAL INFORMATION

Management Committee

Name	Date of appointment	Position
Long Say Keng, Adrian	20 August 2025	President
Tan Chee Wee, Aaron PBM	20 August 2025	First Vice President
Ong Kuan BBM	20 August 2025	Vice President
Siew Kian Nam	20 August 2025	Vice President
Tan Thiam Lye BBM(L)	20 August 2025	Secretary
Tan Ee Tiong BBM	20 August 2025	Assistant Secretary
Tan Ching Ching	20 August 2025	Treasurer
Amanda Tan Sian Lin	20 August 2025	Assistant Treasurer
Tan Kim Wee	20 August 2025	Committee Member
Tan Bok Soon	20 August 2025	Committee Member
Goh Geok Choo	20 August 2025	Committee Member
Ong Aii Ley	20 August 2025	Committee Member
Stephen Yeo Kok Liang	20 August 2025	Committee Member
Andy Ong Hong Yi	20 August 2025	Committee Member

Finance and Audit Committee

Name	Date of appointment	Position
Tony Hong Kian Chua	1 November 2024	Chairman
Tan Tin Wee	1 November 2024	Member
Gan Leong Hin	1 November 2024	Member
Long Say Keng Adrian	1 November 2024	Member
Tan Ching Ching	17 December 2024	Member
Toh Ling Fui	1 November 2024	Member

Trustees

Name	Date of appointment
Ling Kin Huat, BBM	16 August 2005
Tan Thiam Lye BBM (L)	16 August 2005
Soon Cheok Kah	29 October 2020

Charity Status

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

IPC Status

UEN No.: T00SS0066C
IPC Period: 1 February 2025 to 31 January 2027
Central Fund: A member of NCSS

Registered Office

15 Arumugam Road
Singapore 409960

Bankers

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

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT BY THE MANAGEMENT COMMITTEE FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

We are pleased to present this annual report to the members of Society of Sheng Hong Welfare Services (the "Society") together with the financial statements of the Society for the financial year ended 31 March 2026.

CONFLICT OF INTEREST

Statement of purpose and authority

Pursuant to "Code of Governance for Charities and Institutions of a Public Character" issued by the Charity Council, the Management Committee has established a policy on the avoidance of conflict of interest for the Society.

The Society's basic policy on avoidance of conflict of interest rests on three premises:

- a. Definition of "Conflict of Interest";
- b. Declaration of "Conflict of Interest"; and
- c. Abstention from decision making where "Conflict of Interest" has been declared or exists.

a. Definition of "Conflict of Interest"

An operational definition of conflict of interest is when an individual is aware of "any interest in a transaction or arrangement that will affect his/her professional judgement to obtain the best value for the Society or to protect the interests of the Society".

Some of the more obvious conflict of interests relates to:

- (i) Procurement of goods or services (Contract with vendors);
- (ii) Vested interest in other organisations that have dealings or relationship with the Society;
- (iii) Interest in joint ventures;
- (iv) Hiring and personnel management pertaining to close relationship with current Management Committee or decision makers;
- (v) Remuneration of Management Committee members, volunteer physicians and staff members; and
- (vi) Roles and responsibilities of staff members holding positions in the Management Committee.

b. Declaration of "Conflict of Interest"

Management Committee members, staff members or volunteers must acknowledge that they understand the definition of "Conflict of Interest" as mentioned above and are required to sign the "Conflict of Interest Policy and Declaration Form" to declare any disclosure with related parties.

c. Abstention from decision making

Whenever an individual is aware of the existence of a conflict of interest, he/she must abstain from the decision making process pertaining to the possible conflict of interest. This means the individual should not influence the decision process. This does not necessarily prevent the individual from providing relevant and expert knowledge on the issue or participate in the discussion but he/she should only do so with wisdom so as not to influence the decision.

SOCIETY OF SHENG HONG WELFARE SERVICES

**STATEMENT BY THE MANAGEMENT COMMITTEE (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

Opinion of the Management Committee

In the opinion of the Management Committee:

- (i) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position of the Society as at 31 March 2026 and of the financial activities and cash flows of the Society for the year ended on that date in accordance with the provisions of the Societies Act, the Charities Act and other relevant regulations (the "Acts") and Charities Accounting Standards in Singapore ("CASS"); and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.
- (iii) the fund-raising appeal held during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal;
- (iv) the Society has used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (v) the Society has complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

Independent Auditor

Credo Assurance LLP has expressed its willingness to accept appointment as auditor.

On behalf of the Management Committee,



President
Long Say Keng Adrian



Treasurer
Tan Ching Ching



Secretary
Tan Thiam Lye BBM (L)

Singapore,
16 July 2026

SOCIETY OF SHENG HONG WELFARE SERVICES

**HONORARY AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

We, being the honorary auditors elected at the 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, the Charities Act and other relevant regulations (the "Acts"), and Charities Accounting Standards in Singapore ("CASs") so as to present fairly, in all material respects, the financial positions of the Society as at 31 March 2026, and of the results, changes in accumulated funds and cash flows of the Society for the financial year ended on that date.



**Honorary Auditor
Toh Ling Fui**



**Honorary Auditor
Benjamin Tan Xianda**

Singapore,
16 July 2026

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026****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 as at 31 March 2026, and the statement of financial activities, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2026 and the results, changes in funds and cash flows of the Society for the financial 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

Management is responsible for the other information. The other information comprises the information included in the Statement by the Executive Committee but does not include the financial statements and our auditor's report thereon.

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 identified above 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.

Other matters

The financial statements for the previous year were audited by another firm of auditors, whose report dated 20 June 2025, expressed an unqualified opinion.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026****Responsibilities of Management and Those Charged with Governance for the Financial Statements**

Management 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 FRSs, 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.

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

Those charged with governance are responsible for 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 management.
- Conclude on the appropriateness of management'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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SOCIETY OF SHENG HONG WELFARE SERVICES (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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 those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) 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.
- (b) the fund-raising appeal held during the financial year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

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

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


CREDO ASSURANCE LLP

Public Accountants and
Chartered Accountants
Engagement Partner: Ong Lien Wan
P.A Number: 01360

Singapore,
16 July 2026

SOCIETY OF SHENG HONG WELFARE SERVICES

**STATEMENT OF FINANCIAL POSITION
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	Note	2026 S\$	2025 S\$
Funds			
Unrestricted funds		1,468,580	1,288,749
Restricted funds		<u>8,768,487</u>	<u>8,460,375</u>
		<u>10,237,067</u>	<u>9,749,124</u>
Represented by:			
Non-current assets			
Property, plant and equipment	4	2,128,458	1,990,154
Right-of-use asset	5	<u>1,660,110</u>	<u>2,102,805</u>
		<u>3,788,568</u>	<u>4,092,959</u>
Current assets			
Other receivables	6	644,352	303,472
Cash and cash equivalents	7	<u>8,443,977</u>	<u>8,296,124</u>
		<u>9,088,329</u>	<u>8,599,596</u>
Total assets		<u>12,876,897</u>	<u>12,692,555</u>
Non-current liabilities			
Lease liability	11	1,316,349	1,751,974
Deferred capital grant	8	<u>219,746</u>	<u>96,651</u>
		<u>1,536,095</u>	<u>1,848,625</u>
Current liabilities			
Lease liability	11	435,625	414,421
Deferred capital grant	8	71,646	28,995
Other payables	9	564,101	613,143
Special funds	10	<u>32,363</u>	<u>38,247</u>
		<u>1,103,735</u>	<u>1,094,806</u>
Total liabilities		<u>2,639,830</u>	<u>2,943,431</u>
Net assets		<u>10,237,067</u>	<u>9,749,124</u>

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

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Unrestricted funds			Restricted funds			Total	
	Society Of Sheng Hong Welfare Services S\$	Hougang Sheng Hong Student Care Centre S\$	Macpherson Sheng Hong Childcare Centre S\$	Lifepoint S\$	Hougang Sheng Hong Family Service Centre S\$	Sheng Hong Active Ageing Centre (Care) @ Sennett S\$	2026 S\$	2025 S\$
Income								
Voluntary income								
Donation received – tax deductible	38,900	15,961	-	-	500	680	56,041	91,607
Donation received – non-tax deductible	15,038	-	872,832	-	5	3,424	891,299	853,364
Donation in kind	-	-	-	-	-	-	-	2,511
Total voluntary income	<u>53,938</u>	<u>15,961</u>	<u>872,832</u>	<u>-</u>	<u>505</u>	<u>4,104</u>	<u>947,340</u>	<u>947,482</u>
Fund generating activities								
Funding from MSF	-	-	-	-	1,745,030	-	1,745,030	1,688,640
Funding from TBSSF	-	-	-	-	464,541	-	464,541	450,322
Funding from MSF ComLink	-	-	-	-	24,708	-	24,708	20,897
Government grant – TSS Manpower	-	-	-	-	-	-	-	(30,584)
Government grant – ACP	-	-	-	-	-	16,600	16,600	40,000
Government grant – Maintenance Day Care	-	-	-	-	-	345,309	345,309	277,979
Government grant – Dementia Day Care	-	-	-	-	-	421,589	421,589	373,079
Government grant – Maintenance Exercise	-	-	-	-	-	24,158	24,158	9,584
Government grant – Active Rehab	-	-	-	-	-	48,746	48,746	53,268
Government grant – Active Ageing Centre Care	-	-	-	-	-	523,584	523,584	501,420
Government grant – AIC CCSE	-	-	-	-	-	119,668	119,668	64,500
Government grant – AIC CHA and others	-	-	-	-	-	-	-	23,813
Government grant – Others	-	74,572	-	-	12,038	128,040	214,650	210,254
Fund generating activities income carried forward	-	74,572	-	-	2,246,317	1,627,694	3,948,583	3,683,172

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

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Unrestricted funds			Restricted funds			Total	
	Society Of Sheng Hong Welfare Services S\$	Hougang Sheng Hong Student Care Centre S\$	Macpherson Sheng Hong Childcare Centre S\$	Lifepoint S\$	Hougang Sheng Hong Family Service Centre S\$	Sheng Hong Active Ageing Centre (Care) @ Sennett S\$	2026 S\$	2025 S\$
Income (Continued)								
Fund generating activities income brought forward	-	74,572	-	-	2,246,317	1,627,694	3,948,583	3,683,172
C3A	-	-	-	-	-	32,296	32,296	58,668
Holiday fee	-	6,745	-	-	-	-	6,745	6,150
Infant care fee	-	-	167,200	-	-	-	167,200	109,600
Insurance	-	-	646	-	-	-	646	615
Membership	324	-	-	-	-	-	324	336
Programme fee	-	73,194	26,996	-	-	14,630	114,820	128,091
Registration fee	-	1,110	2,600	-	-	-	3,710	3,363
Service fee	-	-	-	-	-	359,506	359,506	228,505
School misc fees	-	2,890	-	-	-	-	2,890	-
School fee	-	206,330	447,382	-	-	-	653,712	801,675
	324	364,841	644,824	-	2,246,317	2,034,126	5,290,432	5,020,175
Investment income								
Fixed deposit interest	5,478	1,190	-	-	97,637	4,500	108,805	125,088
Other income								
Amortisation of deferred capital grant	-	-	-	-	47,508	-	47,508	19,330
Sundry income	-	882	35,486	-	170	-	36,538	64,589
Other subsidies	-	1,129	3,029	-	11,226	1,553	16,937	183,510
Total other income	-	2,011	38,515	-	58,904	1,553	100,983	267,429
Total income	<u>59,740</u>	<u>384,003</u>	<u>1,556,171</u>	<u>-</u>	<u>2,403,363</u>	<u>2,044,283</u>	<u>6,447,560</u>	<u>6,360,174</u>

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

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Unrestricted funds			Restricted funds			Total	
	Society Of Sheng Hong Welfare Services S\$	Hougang Sheng Hong Student Care Centre S\$	Macpherson Sheng Hong Childcare Centre S\$	Lifepoint S\$	Hougang Sheng Hong Family Service Centre S\$	Sheng Hong Active Ageing Centre (Care) @ Sennett S\$	2026 S\$	2025 S\$
Expenditure								
Cost of charitable activities								
Salaries	-	172,143	596,524	-	1,397,333	564,954	2,730,954	2,763,614
Bonuses	-	20,620	73,044	-	191,816	56,278	341,758	306,320
CPF	-	23,994	60,513	-	255,572	74,125	414,204	402,719
SDL	-	408	1,477	-	2,974	1,455	6,314	6,450
FWL	-	-	21,900	-	-	39,639	61,539	50,479
Insurance – employee	-	1,815	5,648	-	9,517	7,817	24,797	18,999
Medical fee	-	83	419	-	254	363	1,119	1,362
Staff award	-	-	620	-	2,000	320	2,940	2,740
Staff training	-	370	2,173	-	38,550	3,532	44,625	31,537
Staff welfare	-	1,890	10,185	-	16,835	11,957	40,867	40,635
Staff admin related expenses	-	-	-	-	90	-	90	-
Total staff costs	-	221,323	772,503	-	1,914,941	760,440	3,669,207	3,624,855
Amortisation of right-of-use asset	-	-	340,969	-	-	101,726	442,695	442,695
Bad debt written off	-	-	-	-	-	2,870	2,870	-
Bank charges	123	107	204	-	344	143	921	1,330
Books & Resources	-	-	1,445	-	-	-	1,445	-
Cleaning fee	-	14,445	-	-	-	33,000	47,445	45,528
Contract services	-	-	40,157	-	-	306,900	347,057	365,678
Condolence	-	64	-	-	248	-	312	144
Depreciation of property, plant and equipment	-	37	85,887	-	92,069	282,871	460,864	449,324
Email and internet charges	-	1,260	1,080	-	3,181	1,079	6,600	6,278
Food and marketing	-	5,458	40,589	-	-	32,956	79,003	76,849
GST absorbed/unclaimed	-	614	-	-	57,664	49,919	108,197	78,949
Insurance – others	105	1,242	3,547	-	1,332	4,603	10,829	11,062
Insurance – students	-	329	344	-	-	-	673	616
Interest expense on lease liability	-	-	74,540	-	-	22,239	96,779	116,949
Leasing of office equipment	-	-	4,260	-	4,260	1,680	10,200	10,896
Expenditure carried forward	228	244,879	1,365,525	-	2,074,039	1,600,426	5,285,097	5,231,153

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

SOCIETY OF SHENG HONG WELFARE SERVICES

STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED) FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

	Unrestricted funds			Restricted funds			Total	
	Society Of Sheng Hong Welfare Services S\$	Hougang Sheng Hong Student Care Centre S\$	Macpherson Sheng Hong Childcare Centre S\$	Lifepoint S\$	Hougang Sheng Hong Family Service Centre S\$	Sheng Hong Active Ageing Centre (Care) @ Sennett S\$	2026 S\$	2025 S\$
Expenditure (Continued)								
Cost of charitable activities (Continued)								
Expenditure brought forward	228	244,879	1,365,525	-	2,074,039	1,600,426	5,285,097	5,231,153
Penalty and fines	-	-	-	-	-	-	-	100
Postage charges	-	50	-	-	117	-	167	795
Printing and stationery	11	209	3,272	-	2,608	4,599	10,699	8,913
Programme expense – others	886	52,578	24,364	-	4,272	165,887	247,987	209,168
Refreshment	-	-	-	-	30	-	30	244
Rental of premises	-	4,678	-	-	8,018	-	12,696	12,658
Rent – service and conservancy charges	-	-	-	-	-	-	-	-
Small value assets	-	2,037	6,559	-	16,681	7,484	32,761	14,165
Staff recruitment	-	-	100	-	7,030	2,246	9,376	375
Sundry expense – uniform/mattress	-	-	3,277	-	(236)	292	3,333	3,654
Telephone charges	-	395	348	-	1,461	3,291	5,495	5,163
Transportation	-	-	-	-	3,777	191	3,968	3,412
Upkeep of computers	360	2,196	4,006	-	24,779	3,142	34,483	37,471
Upkeep of office equipment	-	2,022	6,629	-	1,473	9,059	19,183	15,484
Upkeep of motor vehicle	-	-	-	-	-	3,205	3,205	2,260
Upkeep of premises	-	1,696	7,241	-	9,450	23,631	42,018	29,243
Utilities	-	7,485	30,024	-	12,295	26,896	76,700	104,623
Total cost of charitable activities	1,485	318,225	1,451,345	-	2,165,794	1,850,349	5,787,198	5,678,881
Other expenditure								
Audit fee	(1,940)	(800)	8,100	-	10,504	13,400	29,264	24,872
License fee	-	685	5,114	-	9,665	13,718	29,182	21,646
Professional fee	-	7,385	29,036	-	44,422	29,211	110,054	110,563
Publicity and promotion	-	-	1,448	-	206	-	1,654	8,180
Subscription	-	-	-	-	1,355	910	2,265	1,764
Total other expenditure	(1,940)	7,270	43,698	-	66,152	57,239	172,419	167,025
Total expenditure	(455)	325,495	1,495,043	-	2,231,946	1,907,588	5,959,617	5,845,906
Surplus for the year	60,195	58,508	61,128	-	171,417	136,695	487,943	514,268

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

SOCIETY OF SHENG HONG WELFARE SERVICES

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	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 Centre (Care) @ Sennett	2026	2025
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
Total funds brought forward	697,307	422,358	169,084	308,579	5,686,437	2,465,359	9,749,124	9,234,856
Surplus for the year	60,195	58,508	61,128	-	171,417	136,695	487,943	514,268
Total funds carried forward	<u>757,502</u>	<u>480,866</u>	<u>230,212</u>	<u>308,579</u>	<u>5,857,854</u>	<u>2,602,054</u>	<u>10,237,067</u>	<u>9,749,124</u>

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

SOCIETY OF SHENG HONG WELFARE SERVICES

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

	Note	2026 S\$	2025 S\$
Operating activities			
Surplus for the year		487,943	514,268
Adjustments for:			
- Amortisation of deferred capital grant	8	(47,508)	(19,330)
- Amortisation of right-of-use asset	5	442,695	442,695
- Depreciation of property, plant and equipment	4	460,864	449,324
- Interest expense on lease liability	11	96,779	116,949
- Interest income		(108,805)	(125,088)
Operating cash flow before working capital changes		<u>1,331,968</u>	<u>1,378,818</u>
Changes in working capital:			
Other receivables		(340,880)	76,344
Other payables		(49,042)	165,280
Special funds		(5,884)	1,302
Net cash generated from operating activities		<u>936,162</u>	<u>1,621,744</u>
Investing activities			
Acquisition of property, plant and equipment	4	(599,168)	(226,013)
Interest received		108,805	125,088
Net cash used in investing activities		<u>(490,363)</u>	<u>(100,925)</u>
Financing activities			
Payment of lease liability	11	(511,200)	(511,200)
Deferred capital grant received	8	213,254	144,976
Net cash used in financing activities		<u>(297,946)</u>	<u>(366,224)</u>
Net increase in cash and cash equivalents		147,853	1,154,595
Cash and cash equivalents at 1 April		<u>8,296,124</u>	<u>7,141,529</u>
Cash and cash equivalents at 31 March	7	<u>8,443,977</u>	<u>8,296,124</u>

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

SOCIETY OF SHENG HONG WELFARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

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

1. General information

The Society of Sheng Hong Welfare Services (the “Society”) was registered under Singapore Societies Act and domiciled in the Republic of Singapore. The registered address of the Society is at 15 Arumugan Road, Singapore 409960.

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

- (i) Block 237 #01-406, Hougang Street 21, Singapore 530237;
- (ii) Block 238 #01-292, Hougang Avenue 1, Singapore 530238; and
- (iii) 175 Macpherson Road, Singapore 348537

The Society was registered in the Republic of Singapore as a society under the Societies Act on 26 April 2000 and is an approved Institution of Public Character (“IPC”).

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. Material accounting policy information

2.1 Basis of preparation

These financial statements have been prepared in accordance with Charities Accounting Standards in Singapore (“CASs”).

The financial statements have been prepared on a historical cost basis except as disclosed in the significant accounting policies set out below. The financial statements are presented in Singapore dollar (S\$) except as indicated otherwise.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 April 2025. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

2. Material accounting policy information (Continued)

2.3 Property, plant and equipment

All items of property, plant and equipment are initially stated at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. All repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful life of the asset as follows:

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful life and depreciation method are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.4 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2. Material accounting policy information (Continued)

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Society's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

2. Material accounting policy information (Continued)

2.5 Financial instruments (Continued)

(b) Financial liabilities (Continued)

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) Offsetting of financial instruments

A financial asset and financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (i) currently has a legally enforceable right to set off the recognised amounts; and
- (ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

2.6 Impairment of financial assets

The Society recognises an allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For other receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Society considers a financial asset in default when contractual payments are 180 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Material accounting policy information (Continued)

2.7 Cash and cash equivalents

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

2.8 Government grants

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

Government grants related to assets

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grants related to income

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as "other income". Alternatively, they are deducted in reporting the related expenses.

2.9 Employee benefits

Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.10 Leases

The Society assesses at contract inception, all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Society is not a lessor in any transactions, it is only a lessee.

As a lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use asset

The Society recognises right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Centre premise	6 years
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2. Material accounting policy information (Continued)

2.10 Leases (Continued)

(a) Right-of-use asset (Continued)

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

(b) Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Society applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

2.11 Income recognition

Income is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Income is recognised when the Society satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

Donations

Donations represents both tax and non-tax deductible donations received from general public or members. Donations are recognised on receipt basis.

SOCIETY OF SHENG HONG WELFARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

2. Material accounting policy information (Continued)

2.11 Income recognition (Continued)

(a) Charitable activities

Revenue from charitable activities is recognised when services are rendered.

(b) Programme fee

Programme fee is recognised when services are rendered.

(c) Interest income

Interest income is recognised using the effective interest method.

2.12 Income tax

The Society is registered as a charity organisation under Charities Act. As an approved charity, it is exempted from income tax under Section 13(1) of the Singapore Income Tax Act.

2.13 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Executive Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Executive Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

2.14 Events after report date

Events after report date that provide additional information about the Society's position at the report date (adjusting events) are reflected in the financial statements. Events occurring after report date that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Critical accounting estimates, assumptions and judgements

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.

3.1 Critical accounting estimates and assumptions

At the reporting date, there were no critical accounting estimates and assumptions that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 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 reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future. There are no accounts that involve significant assumptions and estimates.

Useful lives of property, plant and equipment

Property, plant and equipment are depreciated on a straight line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 12 years. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore future depreciation charges could be revised. The carrying amount of the Society's property, plant and equipment at the end of each reporting date is disclosed in Note 4 to the financial statements.

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

4. Property, plant and equipment

	Leasehold building S\$	Computers S\$	Furniture and fittings S\$	Health equipment S\$	Motor vehicle S\$	Office equipment S\$	Renovation S\$	School equipment S\$	Total S\$
Cost									
At 1 April 2024	2,999,412	325,421	157,557	222,656	112,407	144,046	1,011,309	26,451	4,999,259
Additions	-	10,041	6,700	-	-	9,047	200,225	-	226,013
At 31 March 2025	2,999,412	335,462	164,257	222,656	112,407	153,093	1,211,534	26,451	5,225,272
Additions	-	-	1,566	-	-	68,414	529,188	-	599,168
Reclassification	-	(11,658)	-	-	-	-	11,658	-	-
Disposals	-	(22,494)	-	-	-	(5,585)	-	-	(28,079)
At 31 March 2026	2,999,412	301,310	165,823	222,656	112,407	215,922	1,752,380	26,451	5,796,361
Accumulated depreciation									
At 1 April 2024	1,173,512	239,860	144,815	222,656	55,495	97,588	829,002	22,866	2,785,794
Depreciation for the year	264,596	51,370	6,527	-	11,447	16,626	95,173	3,585	449,324
At 31 March 2025	1,438,108	291,230	151,342	222,656	66,942	114,214	924,175	26,451	3,235,118
Depreciation for the year	264,596	22,653	3,327	-	11,446	18,582	140,260	-	460,864
Disposals	-	(22,494)	-	-	-	(5,585)	-	-	(28,079)
At 31 March 2026	1,702,704	291,389	154,669	222,656	78,388	127,211	1,064,435	26,451	3,667,903
Carrying amount									
At 31 March 2026	1,296,708	9,921	11,154	-	34,019	88,711	687,945	-	2,128,458
At 31 March 2025	1,561,304	44,232	12,915	-	45,465	38,879	287,359	-	1,990,154

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

5. Right-of-use asset

As a lessee

The Society has lease contracts for childcare centre and senior care centre. The Society's obligations under these leases are secured by the lessor's title to the leased asset. The Society is restricted from assigning and subleasing the leased asset.

(a) Carrying amounts and the movements of right-of-use assets

	2026	2025
	S\$	S\$
Cost		
At beginning of financial year	2,656,173	2,656,173
Additions	-	-
At end of financial year	<u>2,656,173</u>	<u>2,656,173</u>
Accumulated amortisation		
At beginning of financial year	553,368	110,673
Amortisation charge for the year	<u>442,695</u>	<u>442,695</u>
At end of financial year	<u>996,063</u>	<u>553,368</u>
Carrying amount	<u><u>1,660,110</u></u>	<u><u>2,102,805</u></u>

(b) Amounts recognised in profit or loss

	2026	2025
	S\$	S\$
Amortisation of right-of-use asset	442,695	442,695
Interest expense on lease liability	<u>96,779</u>	<u>116,949</u>
Total amount recognised in profit or loss	<u><u>539,474</u></u>	<u><u>559,644</u></u>

(c) Total cash outflow

The Society had total cash outflows for leases of S\$511,200 (2025: S\$511,200).

6. Other receivables

	2026	2025
	S\$	S\$
Deposits	12,922	13,012
Prepayments	44,876	56,624
Grant receivables	561,439	214,596
Other receivables	<u>25,115</u>	<u>19,240</u>
	<u><u>644,352</u></u>	<u><u>303,472</u></u>

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

6. Other receivables (Continued)

Grant receivables due from the Ministry of Health and the Ministry of Social and Family Development are unsecured, interest-free and are expected to be received within one year.

Other receivables and deposits are unsecured, interest-free and repayable on demand.

7. Cash and cash equivalents

	2026	2025
	S\$	S\$
Cash at bank	3,690,654	4,325,211
Cash on hand	2,456	1,337
Fixed deposits	<u>4,750,867</u>	<u>3,969,576</u>
	<u><u>8,443,977</u></u>	<u><u>8,296,124</u></u>

Fixed deposits are placed for 6 to 12 months (2025: 12 months) and carry effective interest rates at 1.10% to 2.65% (2025: 1.68% to 2.65%) per annum.

8. Deferred capital grant

	2026	2025
	S\$	S\$
At beginning of financial year	125,646	-
Received during the year	213,254	144,976
Amortisation	<u>(47,508)</u>	<u>(19,330)</u>
At end of financial year	<u><u>291,392</u></u>	<u><u>125,646</u></u>
Represented by:		
- Current	71,646	28,995
- Non-current	<u>219,746</u>	<u>96,651</u>
	<u><u>291,392</u></u>	<u><u>125,646</u></u>

Deferred capital grants refer to government grants received for the renovation works at Hougang Sheng Hong Family Service Centre. These grants are amortised over the useful life of the related assets.

9. Other payables

	2026	2025
	S\$	S\$
Accrued operating expenses	317,648	272,681
Refundable deposits	74,842	68,608
School fee received in advance	29,722	28,007
Grant received in advance	4,491	116,600
Other payables	<u>137,398</u>	<u>127,247</u>
	<u><u>564,101</u></u>	<u><u>613,143</u></u>

Other payables are non-trade in nature, interest-free, unsecured, and repayable on demand.

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

10. Special funds

	2026 S\$	2025 S\$
SPMF	1,185	9,125
SRJC Fund	22,898	23,498
FSC Comcare	8,280	5,624
	<u>32,363</u>	<u>38,247</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 through school. As a member of NCSS, the Family Service Centre helps to administer and disburse SPMF to eligible beneficiaries.
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.

11. Lease liability

	2026 S\$	2025 S\$
Lease liabilities		
- Current	435,625	414,421
- Non-current	1,316,349	1,751,974
	<u>1,751,974</u>	<u>2,166,395</u>

(a) Total borrowings are denominated in Singapore Dollars.

(b) The effective rate of interest for lease liabilities is 5.00% per annum.

(c) A reconciliation of liabilities arising from financing activities is as follows:

	1 Apr 2025 S\$	Cash flows S\$	Non-cash changes		31 Mar 2026 S\$
			Accretion of interest S\$	Reclassification S\$	
Lease liabilities					
- Current	414,421	(511,200)	96,779	435,625	435,625
- Non-current	1,751,974	-	-	(435,625)	1,316,349
	<u>2,166,395</u>	<u>(511,200)</u>	<u>96,779</u>	<u>-</u>	<u>1,751,974</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

11. Lease liability (Continued)

	1 Apr 2024	Cash flows	Non-cash changes		31 Mar 2025
			Accretion of interest	Reclassification	
	S\$	S\$	S\$	S\$	S\$
Lease liabilities					
- Current	394,251	(511,200)	116,949	414,421	414,421
- Non-current	2,166,395	-	-	(414,421)	1,751,974
	<u>2,560,646</u>	<u>(511,200)</u>	<u>116,949</u>	<u>-</u>	<u>2,166,395</u>

12. Audit fee

	2026 S\$	2025 S\$
Fees paid to auditors for auditing financial statements	20,064	21,172
Fees paid to auditors for other services	<u>9,200</u>	<u>3,700</u>
	<u>29,264</u>	<u>24,872</u>

13. Voluntary income

	2026 S\$	2025 S\$
Donation received - tax deductible		
- Others	56,041	91,607
Donation received - non tax deductible		
- Related parties	871,732	839,320
- Others	19,567	14,044
Donation in kind	<u>-</u>	<u>2,511</u>
	<u>947,340</u>	<u>947,482</u>

14. Income from charitable activities

	2026 S\$	2025 S\$
Government grants	3,948,583	3,683,172
C3A	32,296	58,668
Holiday fee	6,745	6,150
Infant care fee	167,200	109,600
Insurance	646	615
Membership fee	324	336
Programme fee	114,820	128,091
Registration fee	3,710	3,363
Services fee	359,506	228,505
School fee	<u>656,602</u>	<u>801,675</u>
	<u>5,290,432</u>	<u>5,020,175</u>

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

15. Other income

	2026	2025
	S\$	S\$
Amortisation of deferred capital grant	47,508	19,330
Sundry income	36,538	64,589
Other subsidies	16,937	183,510
	<u>100,983</u>	<u>267,429</u>

16. Staff costs

	2026	2025
	S\$	S\$
<i>Key management personnel</i>		
Salaries and bonuses	135,500	215,945
CPF contributions	17,223	21,437
Key management personnel remuneration	<u>152,723</u>	<u>237,382</u>
<i>Other employees</i>		
Salaries and bonuses	2,937,212	2,853,989
CPF contributions	396,981	381,282
Other short-term benefits	182,291	152,202
Other employees remuneration	<u>3,516,484</u>	<u>3,387,473</u>
Total staff costs	<u>3,669,207</u>	<u>3,624,855</u>

During the year, there were 1 (2025: 1) employee who each received annual remuneration exceeding S\$100,000 as follows:

	Number of employees	
	2026	2025
Salary band		
S\$100,000 to S\$200,000	<u>1</u>	<u>1</u>

17. Tax deductible receipts

During the financial year, the Society issued tax deductible receipts for donations collected amounting to S\$56,041 (2025: S\$91,607).

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

18. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Society to disclose transactions with its related parties irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the Executive Committee and key management of the Society. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family or any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, for any such individual.

Key management personnel of the Society are those persons having the authority and responsibility for planning, directing and controlling the activities of the Society, whether directly or indirectly. The management committee members are considered as key management personnel of the Society.

No compensation is made to any of the members of the management committee as their appointments are honorary.

In addition to those related party information disclosed elsewhere in the financial statements, the Society had the following significant related party transactions entered into on terms agreed between the parties as follows:

	2026 S\$	2025 S\$
Related parties		
Donation received - non tax deductible	871,732	839,320
Transportation charges	13,752	17,688
Human resource services	<u>96,000</u>	<u>96,000</u>

19. Reserve policy

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

	2026 S\$	2025 S\$
Unrestricted funds	<u>1,468,580</u>	<u>1,288,749</u>
Current assets available to meet expenditure obligations	9,088,329	8,599,596
Total operating expenditure	<u>5,959,617</u>	<u>5,845,906</u>
Ratio of net liquid assets to total operating expenditures	<u>1.52</u>	<u>1.47</u>

20. Financial risk management

The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk, interest rate risk and price risk). The Society's activities do not expose to significant financial risks from its operation.

The executive committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

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

None of the financial assets carry a significant exposure to credit risk.

(b) Liquidity risk

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

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities. The Society finances its working capital requirements through a combination of funds generated from operations and equity. The directors are satisfied that funds are available to finance the operations of the Society.

SOCIETY OF SHENG HONG WELFARE SERVICES

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026**

20. Financial risk management (Continued)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2026			
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$	Two to five years S\$
<u>Financial assets</u>				
Other receivables (Note 6)	586,554	586,554	586,554	-
Cash and cash equivalents (Note 7)	8,443,977	8,443,977	8,443,977	-
Total undiscounted financial assets	<u>9,030,531</u>	<u>9,030,531</u>	<u>9,030,531</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables (Note 9)	(455,046)	(455,046)	(455,046)	-
Lease liability (Note 11)	(1,751,974)	(1,917,000)	(511,200)	(1,405,800)
Total undiscounted financial liabilities	<u>(2,207,020)</u>	<u>(2,372,046)</u>	<u>(966,246)</u>	<u>(1,405,800)</u>
Total net undiscounted financial assets/ (liabilities)	<u>6,823,511</u>	<u>6,658,485</u>	<u>8,064,285</u>	<u>(1,405,800)</u>
	2025			
	Carrying amount S\$	Contractual cash flows S\$	One year or less S\$	Two to five years S\$
<u>Financial assets</u>				
Other receivables (Note 6)	233,836	233,836	233,836	-
Cash and cash equivalents (Note 7)	8,296,124	8,296,124	8,296,124	-
Total undiscounted financial assets	<u>8,529,960</u>	<u>8,529,960</u>	<u>8,529,960</u>	<u>-</u>
<u>Financial liabilities</u>				
Other payables (Note 9)	(399,928)	(399,928)	(399,928)	-
Lease liability (Note 11)	(2,166,395)	(2,482,200)	(511,200)	(1,971,000)
Total undiscounted financial liabilities	<u>(2,566,323)</u>	<u>(2,882,128)</u>	<u>(911,128)</u>	<u>(1,971,000)</u>
Total net undiscounted financial assets/ (liabilities)	<u>5,963,637</u>	<u>5,647,832</u>	<u>7,618,832</u>	<u>(1,971,000)</u>

20. Financial risk management (Continued)

(c) 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.

(i) Foreign 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.

(ii) Interest rate risk

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

(iii) Price risk

None of the financial instruments of the Society is exposed to price risk.

21. Fair values of assets and liabilities

(a) Fair value hierarchy

The Society categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Society can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, other payables, special funds

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

Lease liabilities

The lease liabilities approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

Deferred capital grant

Deferred capital grant is a non-interest-bearing financial liability, and its carrying amount approximates fair value as the discount effect is not material.

SOCIETY OF SHENG HONG WELFARE SERVICES

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2026

22. Financial instruments by category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	2026 S\$	2025 S\$
<u>Financial assets measured at amortised cost</u>		
Other receivables (Note 6)	586,554	233,836
Cash and cash equivalents (Note 7)	8,443,977	8,296,124
Total financial assets measured at amortised cost	<u>9,030,531</u>	<u>8,529,960</u>
<u>Financial liabilities measured at amortised cost</u>		
Other payables (Note 9)	455,046	399,928
Lease liability (Note 11)	1,751,974	2,166,395
Total financial liabilities measured at amortised cost	<u>2,207,020</u>	<u>2,566,323</u>

23. Fund raising

The Society is required to comply with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The total fund-raising expense of an institution of a public character for the financial year, and for every subsequent financial year, shall not exceed 30% of the total receipts from fund raising and sponsorships for that financial year.

	2026 S\$	2025 S\$
Income from generating funds		
Donations	947,340	947,482
Less: Fund raising expense	<u>-</u>	<u>-</u>
Net income from fundraising	<u>947,340</u>	<u>947,482</u>
Percentage of funds raising expense over income from generating funds	<u>-</u>	<u>-</u>

24. Authorisation of financial statements for issue

The financial statements of the Society for the financial year ended 31 March 2026 were authorised for issue in accordance with a resolution of the Executive Committee on the date stated on the Statement by the Executive Committee.