

## **Shan You**

(Formerly known as Shan You Counselling Centre)  
[UEN. S95SS0103B]

[Registered under the Societies Act  
(Chapter 311) in the Republic of Singapore]

### **AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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## **Suhaimi Salleh & Associates**

[UEN. S88PF0247L]

Public Accountants and  
Chartered Accountants of Singapore

71 Ubi Crescent  
Excalibur Centre #08-01  
Singapore 408571  
T: (65) 6846.8376  
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**STATEMENT BY THE MANAGEMENT COMMITTEE**

In the opinion of the Management Committee, the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Shan You (the "Society") as at 31 March 2018, and the results, changes in funds and cash flows of the Society for the year then ended.


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.

The Management Committee, comprising the following, authorised the issue of these financial statements on **12 JUN 2018**

Jenny Quek Hwee Huang	President	Appointed on 25 June 2016
Patrick Peck Wee Boon	Vice President	Appointed on 25 June 2016
Yeh Chien Ee	Honorary Secretary	Appointed on 30 August 2017
Lee Hian Hui	Assistant Honorary Secretary	Appointed on 30 August 2017
Ang Hwee	Honorary Treasurer	Appointed on 25 June 2016
Wilson Tan	Assistant Honorary Treasurer	Appointed on 25 June 2017
Eddy Lim Seok Boon	Committee Member	Appointed on 25 June 2017
Yee Liang Chien	Committee Member	Appointed on 25 June 2016
Jenny Tan Eng Eng	Committee Member	Appointed on 25 June 2016
Katherine Tay Chiew Har	Committee Member	Appointed on 22 February 2017

For and on behalf of the Management Committee,

  
\_\_\_\_\_  
Jenny Quek Hwee Huang  
President

  
\_\_\_\_\_  
Ang Hwee  
Honorary Treasurer

Singapore, **12 JUN 2018**

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Independent auditor's report to the members of:

**Shan You**  
**(Formerly known as Shan You Counselling**  
**Centre)**

[UEN. S95SS0103B]  
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### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of Shan You (the "Society"), which comprise the statement of financial position of the Society as at 31 March 2018, the statement of financial activities, statement of changes in funds and statement of cash flows of the Society for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standard in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2018 and the results, changes in funds and cash flows of the Society for the year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditors' 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 Statement by the Management Committee set out on page 2 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 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.

## Suhaimi Salleh & Associates

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(CONT'D)

Independent auditor's report to the members of:

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### *Responsibilities of Management and Those Charged with Governance 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 Societies Act, the Charities Act and Regulations and CAS, 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 auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.

## Suhaimi Salleh & Associates

Public Accountants and  
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

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### *Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)*

- 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.
- (a) the fund raising appeals held during the year ended 31 March 2018 have 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 appeals.

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

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

*Suhaimi Salleh & Associates*

**Suhaimi Salleh & Associates**

Public Accountants and  
Chartered Accountants

Singapore, 12 JUN 2018

Partner-in-charge: Soo Hon Weng  
PAB. No.: 01089

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	Unrestricted Funds		Restricted Funds					Total Unrestricted and Restricted Funds S\$	
		Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Carework Programme			Total Restricted Funds S\$
							Care & Share Fund S\$	NCSS Funded S\$		
<b>2018</b>										
<b>INCOME</b>										
<b>Income from generating funds</b>										
Voluntary income										
Designated general donations	4	30,000	82,119	112,119	0	0	0	0	0	112,119
Unsolicited donation		0	73,090	73,090	0	0	0	0	0	73,090
Donations in-kind		0	124,251	124,251	0	0	0	0	0	124,251
Grants income		0	60,220	60,220	0	0	0	0	0	60,220
Membership dues		0	650	650	0	0	0	0	0	650
Grants - NCSS EOM funding		0	0	0	0	445,035	0	0	445,035	445,035
		30,000	340,330	370,330	0	0	445,035	0	445,035	815,365
<b>Activities for generating funds</b>										
Designated fundraising events	4	0	404,521	404,521	0	0	0	0	0	404,521
Sales		0	41,802	41,802	0	0	0	0	0	41,802
		0	404,521	404,521	0	0	0	0	0	404,521
<b>Investment income</b>										
Interest on fixed deposits		0	3,213	3,213	0	0	0	0	0	3,213
		0	3,213	3,213	0	0	0	0	0	3,213
<b>Income from charitable activity</b>										
Programme fees		0	164,195	164,195	0	0	44,392	0	44,392	208,587
<b>Total income</b>		30,000	954,061	984,061	0	0	445,035	44,392	489,427	1,473,488

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Unrestricted Funds		Restricted Funds				Total Unrestricted and Restricted Funds S\$	
	Pitt Chiu Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Care & Share Fund S\$		
						NCSS Funded S\$		Counselling and Casework Programme Fund S\$
<b>EXPENDITURE</b>								
<b>Cost of generating funds</b>								
Activities for voluntary income								
Communications	0	1,020	1,020	0	0	0	0	1,020
Entertainment	0	61	61	0	0	0	0	61
Insurance	0	192	192	0	0	0	0	192
Maintenance of building	0	683	683	0	0	0	0	683
Maintenance of equipment	0	392	392	0	0	0	0	392
Staff costs	0	1,367	1,367	0	0	0	481	1,848
Rental of building and equipment	0	6,055	6,055	0	0	0	0	6,055
Supplies and materials	0	1,896	1,896	0	0	0	0	1,896
Transport expenses	0	630	630	0	0	0	0	630
Utilities	0	2,567	2,567	0	0	0	0	2,567
	0	14,863	14,863	0	0	0	481	15,344
Activities for generating fund								
Designated fundraising events	0	347	347	0	0	0	0	347
Designated project expenses	0	40,123	40,123	0	0	0	0	40,123
Cost of vegetarian stall	0	41,223	41,223	0	0	0	0	41,223
	0	81,693	81,693	0	0	0	0	81,693
<b>Cost of charitable activities</b>								
Communications	0	5,791	5,791	0	0	3,034	94	8,919
Cost of donations in-kind distributed	0	401,573	401,573	0	0	0	0	401,573
Counselling cost	0	0	0	0	0	502	15	517
Entertainment	0	113	113	0	0	397	12	522
Bal c/f	0	407,477	407,477	0	0	3,933	121	411,531

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Note	Unrestricted Funds		Restricted Funds					Total Unrestricted and Restricted Funds S\$				
		Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Restricted Funds			Total Restricted Funds S\$			
							Care & Share Fund S\$	Counselling and Casework Programme Fund S\$			Other Fundings S\$		
<b>EXPENDITURE (CONT'D)</b>													
<b>Cost of charitable activities (Cont'd)</b>													
Bal b/f		0	407,477	407,477	0	0	0	3,933	121	0	0	4,054	411,531
Food ration purchase		0	11,422	11,422	0	0	0	0	0	0	0	0	11,422
Free meal purchase		21,150	0	21,150	0	0	0	0	0	0	0	0	21,150
Insurance		0	768	768	0	0	0	444	14	0	0	458	1,226
Maintenance of building		0	3,189	3,189	0	0	0	1,577	49	0	0	1,626	4,815
Maintenance of equipment		0	3,785	3,785	0	0	0	2,535	78	0	0	2,613	6,398
Staff costs	5	0	352,807	352,807	0	0	0	358,596	11,091	22,550	0	392,237	745,044
Professional fee		0	94	94	0	0	0	12,744	394	0	0	13,138	13,232
Professional Fee - capability building		0	0	0	0	0	0	0	0	73,011	0	73,011	73,011
Programme costs		0	116,653	116,653	0	0	0	0	0	0	0	0	116,653
Recurrent operating expenses													
Recruitment		0	492	492	0	0	0	458	14	0	0	472	964
Rental of building and equipment		0	34,343	34,343	0	0	0	15,380	476	0	0	15,856	50,199
Supplies and materials		0	12,683	12,683	0	0	0	10,856	336	0	0	11,192	23,875
Transport expenses		0	260	260	0	0	0	132	4	0	0	136	396
Utilities		0	9,133	9,133	0	0	0	6,194	192	0	0	6,386	15,519
		21,150	953,106	974,256	0	0	0	412,849	12,769	95,561	0	521,179	1,495,435
<b>Governance and administrative costs</b>													
Audit fee		0	3,276	3,276	0	0	0	1,866	58	0	0	1,924	5,200
Bank service charges		0	1,411	1,411	0	0	0	478	14	0	0	492	1,903
Communications		0	1,393	1,393	0	0	0	0	0	0	0	0	1,393
Depreciation of property, plant and equipment	10	0	171,451	171,451	0	0	0	41,281	1,277	0	0	42,558	214,009
Entertainment		0	299	299	0	0	0	0	0	0	0	0	299
Insurance		0	661	661	0	0	0	0	0	0	0	0	661
Maintenance of building		0	195	195	0	0	0	0	0	0	0	0	195
Bal cf		0	178,686	178,686	0	0	0	43,625	1,349	0	0	44,974	223,660



**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018 (CONT'D)**

	Unrestricted Funds		Restricted Funds				Total Unrestricted and Restricted Funds S\$				
	Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Counselling and Casework Programme					
						NCSS Funded S\$		Other Fundings S\$	Care & Share Fund S\$	Total Restricted Funds S\$	
<b>EXPENDITURE (CONT'D)</b>											
<b>Governance and administrative costs (Cont'd)</b>											
Bal b/f	0	178,686	178,686	0	0	43,625	1,349	0	44,974	223,660	
Maintenance of equipment	0	375	375	0	0	0	0	0	0	375	
Staff costs	0	332,381	332,381	0	0	188,783	5,839	54	194,676	527,057	
Professional fee	0	560	560	0	0	0	0	0	0	560	
Recruitment	0	42	42	0	0	0	0	0	0	42	
Rental of building and equipment	0	11,552	11,552	0	0	0	0	0	0	11,552	
Supplies and materials	0	4,802	4,802	0	0	0	0	0	0	4,802	
Transport expenses	0	631	631	0	0	0	0	0	0	631	
Utilities	0	2,720	2,720	0	0	0	0	0	0	2,720	
Other expenses	0	70	70	0	0	0	0	0	0	70	
	0	531,819	531,819	0	0	232,408	7,188	54	239,650	771,469	
<b>Finance costs</b>											
Interest on finance lease liabilities	0	453	453	0	0	0	0	0	0	453	
	0	453	453	0	0	0	0	0	0	453	
<b>Total expenditure</b>	21,150	1,581,934	1,603,084	0	0	645,257	19,957	96,096	761,310	2,364,394	
<b>Net income/ (expenditure) for the year</b>	8,850	(627,873)	(619,023)	0	0	(200,222)	24,435	(96,096)	(271,883)	(890,906)	
<b>Total funds brought forward</b>	25,452	928,494	953,946	66,237	41,775	163,514	30,923	961,268	1,263,717	2,217,663	
<b>Total funds carried forward</b>	34,302	300,621	334,923	66,237	41,775	(36,708)	55,358	865,172	991,834	1,326,757	

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

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017**

	Note	Unrestricted Funds		Restricted Funds					Total Unrestricted and Restricted Funds S\$			
		Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Counselling and Casework Programme			Care & Share Fund S\$	Total Restricted Funds S\$	
							NCSS Funded S\$	Other Fundings S\$				
<b>2017.</b>												
<b>INCOME</b>												
<b>Income from generating funds</b>												
<u>Voluntary income</u>												
Care & Share		0	0	0	0	0	0	0	0	0	652,800	652,800
Designated general donations	4	30,000	336,669	366,669	0	0	0	0	0	0	0	366,669
Donations in-kind		0	216,156	216,156	0	0	0	0	0	0	0	216,156
Grants – others		0	34,120	34,120	0	57,000	0	0	0	0	0	91,120
Membership dues		0	400	400	0	0	0	0	0	0	0	400
Grants – NCSS EOM funding		0	0	0	0	0	445,537	0	0	0	0	445,537
		30,000	587,345	617,345	0	57,000	445,537	0	0	0	652,800	1,772,682
<u>Activities for generating funds</u>												
Designated fundraising events	4	0	31,104	31,104	0	0	0	0	0	0	0	31,104
Designated the kindness space	4	0	138	138	0	0	0	0	0	0	0	138
Sales		0	142	142	0	0	0	0	0	0	0	142
		0	31,384	31,384	0	0	0	0	0	0	0	31,384
<u>Investment income</u>												
Interest on fixed deposits		0	17,508	17,508	0	0	0	0	0	0	0	17,508
		0	17,508	17,508	0	0	0	0	0	0	0	17,508
<b>Income from charitable activity</b>												
Programme fees		0	158,540	158,540	0	0	0	0	0	34,616	0	193,156
		30,000	794,777	824,777	0	57,000	445,537	34,616	652,800	1,189,953	2,014,730	
<b>Total income</b>												

**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

	Unrestricted Funds		Restricted Funds					Total Unrestricted and Restricted Funds S\$		
	Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Counselling and Casework Programme S\$			Care & Share Fund S\$	Total Restricted Funds S\$
						NCSS Funded S\$	Other Fundings S\$			
<b>EXPENDITURE</b>										
<b>Cost of generating funds</b>										
Activities for voluntary income										
Communications	0	797	797	0	0	0	0	0	797	
Contract labour	0	342	342	0	0	0	0	0	342	
Entertainment	0	10	10	0	0	0	0	0	10	
Insurance	0	270	270	0	0	0	0	0	270	
Maintenance of building	0	863	863	0	0	0	0	0	863	
Maintenance of equipment	0	425	425	0	0	0	0	0	425	
Staff costs	0	19	19	0	0	0	0	5,173	5,192	
Rental of building and equipment	0	6,027	6,027	0	0	0	0	0	6,027	
Supplies and materials	0	1,291	1,291	0	0	0	0	0	1,291	
Transport expenses	0	4	4	0	0	0	0	0	4	
Utilities	0	3,160	3,160	0	0	0	0	0	3,160	
	0	13,208	13,208	0	0	0	0	5,173	18,381	
<b>Activities for generating fund</b>										
Designated fundraising events	0	1,164	1,164	0	0	0	0	0	1,164	
Designated project expenses	0	521	521	0	0	0	0	0	521	
	0	1,685	1,685	0	0	0	0	0	1,685	
<b>Cost of charitable activities</b>										
Communications	0	4,123	4,123	0	0	1,971	61	0	6,155	
Contract labour	0	4,282	4,282	0	0	2,455	76	0	6,813	
Cost of donations in-kind distributed	0	216,322	216,322	0	0	0	0	0	216,322	
Entertainment	0	18	18	0	0	64	2	0	84	
Food ration purchase	0	16,363	16,363	0	0	0	0	0	16,363	
Bal c/f	0	241,108	241,108	0	0	4,490	139	0	245,737	

Note

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**STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2017 (CONT'D)**

	Note	Unrestricted Funds		Restricted Funds					Total Unrestricted and Restricted Funds S\$		
		Pitt Chin Hui Memorial Fund (Designated Fund) S\$	General Fund S\$	Total Unrestricted Funds S\$	Maintenance Fund S\$	President's Challenge S\$	Counselling and Casework Programme			Care & Share Fund S\$	Total Restricted Funds S\$
							NCCS Funded S\$	Other Fundings S\$			
<b>EXPENDITURE (CONT'D)</b>											
<b>Cost of charitable activities (Cont'd)</b>											
Bal b/f		0	241,108	241,108	0	0	4,490	139	0	4,629	245,737
Free meal purchase		22,018	0	22,018	0	0	0	0	0	0	22,018
Insurance		0	842	842	0	0	627	19	0	646	1,488
Maintenance of building		0	4,789	4,789	0	0	2,027	63	0	2,090	6,879
Maintenance of equipment		0	3,628	3,628	0	0	2,415	75	0	2,490	6,118
Staff costs	5	0	320,163	320,163	0	15,225	299,246	9,255	0	323,726	643,889
Professional fee		0	9,463	9,463	0	0	14,545	450	0	14,995	24,458
Programme costs		0	74,943	74,943	0	0	0	0	0	0	74,943
Recurrent operating expenses		0	(50,236)	(50,236)	0	0	0	0	0	50,236	0
Rental of building and equipment		0	34,324	34,324	0	0	15,211	470	0	15,681	50,005
Supplies and materials		0	9,965	9,965	0	0	8,240	255	0	8,495	18,460
Transport expenses		0	252	252	0	0	600	18	0	618	870
Utilities		0	9,410	9,410	0	0	7,298	226	0	7,524	16,934
		22,018	658,651	680,669	0	15,225	354,699	10,970	50,236	431,130	1,111,799
<b>Governance and administrative costs</b>											
Audit fee		0	3,024	3,024	0	0	1,723	53	0	1,776	4,800
Bank service charges		0	1,042	1,042	0	0	344	11	0	355	1,397
Communications		0	1,095	1,095	0	0	0	0	0	0	1,095
Depreciation of property, plant and equipment	10	0	58,689	58,689	0	0	7,506	232	0	7,738	66,427
Entertainment		0	46	46	0	0	0	0	0	0	46
Insurance		0	72	72	0	0	0	0	0	0	72
Maintenance of building		0	249	249	0	0	0	0	0	0	249
Maintenance of equipment		0	334	334	0	0	0	0	0	0	334
Bal c/f		0	64,551	64,551	0	0	9,573	296	0	9,869	74,420



**STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	1,074,893	1,970,723
Other receivables	8	123,273	47,905
Inventories	9	4,678	7,547
		<u>1,202,844</u>	<u>2,026,175</u>
<b>Non-current assets</b>			
Property, plant and equipment	10	<u>202,094</u>	<u>244,092</u>
<b>Total assets</b>		<u>1,404,938</u>	<u>2,270,267</u>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Other payables	11	71,978	44,697
Finance lease liabilities	12	1,827	1,704
		<u>73,805</u>	<u>46,401</u>
<b>Non-current liabilities</b>			
Finance lease liabilities	12	<u>4,376</u>	<u>6,203</u>
<b>Total liabilities</b>		<u>78,181</u>	<u>52,604</u>
<b>NET ASSETS</b>		<u>1,326,757</u>	<u>2,217,663</u>
<b>FUNDS</b>			
<b>Unrestricted funds</b>			
Pitt Chin Hui Memorial Fund (Designated Fund)	13	34,302	25,452
General Fund	14	300,621	928,494
		<u>334,923</u>	<u>953,946</u>
<b>Restricted funds</b>			
Maintenance Fund	15	66,237	66,237
President's Challenge	16	41,775	41,775
Counselling & Casework Programme Fund	17	18,650	194,437
Care & Share Fund	18	865,172	961,268
		<u>991,834</u>	<u>1,263,717</u>
<b>TOTAL FUNDS</b>		<u>1,326,757</u>	<u>2,217,663</u>

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

**STATEMENT OF CHANGES IN FUNDS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Balance at end of year S\$
<b>2018</b>				
<b>Unrestricted funds</b>				
Pitt Chin Hui Memorial Fund	13	25,452	8,850	34,302
General Fund	14	928,494	(627,873)	300,621
		<u>953,946</u>	<u>(619,023)</u>	<u>334,923</u>
<b>Restricted funds</b>				
Maintenance Fund	15	66,237	0	66,237
President's Challenge	16	41,775	0	41,775
Counselling & Casework Programme Fund	17	194,437	(175,787)	18,650
Care & Share Fund	18	961,268	(96,096)	865,172
		<u>1,263,717</u>	<u>(271,883)</u>	<u>991,834</u>
<b>Total funds</b>		<u>2,217,663</u>	<u>(890,906)</u>	<u>1,326,757</u>
	Note	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	Balance at end of year S\$
<b>2017</b>				
<b>Unrestricted funds</b>				
Pitt Chin Hui Memorial Fund	13	17,470	7,982	25,452
General Fund	14	983,279	(54,785)	928,494
		<u>1,000,749</u>	<u>(46,803)</u>	<u>953,946</u>
<b>Restricted funds</b>				
Maintenance Fund	15	66,237	0	66,237
President's Challenge	16	0	41,775	41,775
Counselling & Casework Programme Fund	17	149,823	44,614	194,437
Care & Share Fund	18	364,075	597,193	961,268
		<u>580,135</u>	<u>683,582</u>	<u>1,263,717</u>
<b>Total funds</b>		<u>1,580,884</u>	<u>636,779</u>	<u>2,217,663</u>

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

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

	Note	2018 S\$	2017 S\$
<b>Cash flows from operating activities</b>			
Net (expenditure)/income for the year		(890,906)	636,779
Adjustments for:			
- Depreciation of property, plant and equipment	10	214,009	66,427
- Interest expense on finance lease liabilities		453	471
- Interest income on fixed deposits		(3,213)	(17,508)
Operating cash flow before working capital changes		<u>(679,657)</u>	<u>686,169</u>
Changes in operating assets and liabilities			
- Inventories		2,869	165
- Other receivables		(77,908)	(21,102)
- Other payables		27,281	(125,822)
<b>Net cash generated from operating activities</b>		<u>(727,415)</u>	<u>539,410</u>
<b>Cash flows from investing activities</b>			
Interest received		(5,753)	15,031
Purchases of property, plant and equipment	10	(172,011)	(255,178)
<b>Net cash used in investing activities</b>		<u>(166,258)</u>	<u>(240,147)</u>
<b>Cash flows from financing activities</b>			
Finance lease interest paid		(453)	(471)
Proceeds from finance lease liabilities		0	9,234
Repayment of finance lease liabilities		(1,704)	(1,327)
<b>Net cash generated from financing activities</b>		<u>(2,157)</u>	<u>7,436</u>
<b>Net increase in cash and cash equivalents</b>		(895,830)	306,699
Cash and cash equivalents at beginning of financial year		1,970,723	1,664,024
<b>Cash and cash equivalents at end of financial year</b>	7	<u>1,074,893</u>	<u>1,970,723</u>
<b>Cash and cash equivalents comprise:</b>			
Cash on hand	7	8,833	1,872
Cash at banks	7	401,123	897,122
Fixed deposits	7	664,937	1,071,729
		<u>1,074,893</u>	<u>1,970,723</u>

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



**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE FINANCIAL YEAR ENDED 31 MARCH 2018**

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

**1. General information**

Shan You (the "Society") is registered and domiciled in Singapore. The Society's registered address and principal place of business is located at 5 Upper Boon Keng Road, #02-15 Singapore 380005. With effect from 04 July 2017, the name of the Society was changed from Shan You Counselling Centre to Shan You.

The Society was registered on 17 June 1995 under the Societies Act (Chapter 311) and is a charity registered under the Charities Act, Chapter 37 since 28 December 1995. The Society has been accorded the Institutions of a Public Character ("IPC") status until 31 May 2019.

The Society is a non-profit organisation. The principal activities of the Society are those of providing counselling, family support and other community services to those in need, regardless of race or religion based on the Buddhist principles of compassion and loving-kindness.

**2. Significant accounting policies**

**2.1 Basis of preparation**

These financial statements have been prepared in accordance with CAS and disclosure requirements of the Societies Act and the Charities Act and Regulations. The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

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

The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

**2.2 Income recognition**

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income is recognised as follows:

**2.2.1 Donations**

Unrestricted donations are reported as income. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations.

**2.2.2 Donations-in-kind**

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

**2.2.3 Government grants**

Government grants are recognised as income in the financial statements over the periods necessary to match them with the related costs, which they are intended to compensate on a systematic basis.

## **2. Significant accounting policies (Cont'd)**

### **2.2 Income recognition (Cont'd)**

#### 2.2.4 Interest income

Interest income is recognised on a time proportion basis using the effective interest method.

#### 2.2.5 Other income

Other income is recognised when received.

### **2.3 Expenditures recognition**

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible, where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

#### 2.3.1 Cost of generating funds

Cost of generating funds comprises all directly attributable costs incurred in the generating voluntary income and fundraising activities. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

#### 2.3.2 Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

#### 2.3.3 Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

### **2.4 Employee benefits**

#### 2.4.1 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.

#### 2.4.2 Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

## **2. Significant accounting policies (Cont'd)**

### **2.5 Operating leases**

Leases of property, plant and equipment where the Society assumes substantially all the risks and rewards incidental to ownership of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are shown on the statement of financial position.

The interest element of the finance charge is taken to the statement of financial activities over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term.

Operating lease payments are recognised as an expense in net income or expenditure on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

### **2.6 Income tax**

The Society is a charity registered under the Charities Act since 28 December 1995. Consequently, the income of the Society is exempted from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

### **2.7 Financial assets**

#### **2.7.1 Classification**

The Society classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the reporting date, which are classified as non-current assets. Loans and receivables are classified within "Cash and cash equivalents" and "Other receivables" on the statement of financial position.

#### **2.7.2 Recognition and derecognition**

Financial assets are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs shall be recognised as expenditure in the statement of financial activities as incurred.

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.

#### **2.7.3 Measurement**

Financial assets are initially recognised at fair value plus transaction costs.

Loans and receivables are subsequently carried at amortised cost using effective interest method.

## **2. Significant accounting policies (Cont'd)**

### **2.7 Financial assets (Cont'd)**

#### **2.7.4 Impairment**

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

An allowance for impairment of financial assets is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments is considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the undiscounted future cash flows that the Society expects to receive. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and other administrative costs".

### **2.8 Cash and cash equivalents**

Cash and cash equivalents include cash on hand and deposits with financial institutions, which are subject to an insignificant risk of changes in value.

### **2.9 Other receivables**

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

### **2.10 Inventories**

Inventories are carried at the lower of cost and net realisable value.

### **2.11 Property, plant and equipment**

#### **2.11.1 Measurement**

All property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by Management.

#### **2.11.2 Depreciation**

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Leasehold improvements	5 years
Furniture and fixtures	3 years
Office equipment	3 years
Renovation	3 years
Equipment	3 years

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

## **2. Significant accounting policies (Cont'd)**

### **2.11 Property, plant and equipment (Cont'd)**

#### 2.11.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

#### 2.11.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

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

### **2.12 Financial liabilities**

Financial liabilities are recognised when the Society becomes a party to the contractual agreements of the instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liabilities include "Other payables".

Financial liabilities which are due to be settled within 12 months after the reporting date are presented as current liabilities in the statement of financial position even though the original term was for a period longer than 12 months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue. Other financial liabilities due to be settled more than 12 months after the reporting date are presented as non-current liabilities in the statement of financial position.

Financial liabilities is derecognised when the obligations under the liability is discharged or cancelled or expires. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

### **2.13 Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a currently enforceable legal right to offset the recognised amounts and the Society intends to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **2.14 Other payables**

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

### **2.15 Provision for other liabilities and charges**

Provisions for other liabilities and charges are recognised 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.

## **2. Significant accounting policies (Cont'd)**

### **2.16 Funds**

Restricted fund balances are restricted by outside sources and may only be utilised in accordance with the purposes for which they are established. Designated funds are earmarked for specific purposes and are largely made up of funds allocated at the discretion of the Management Committee. These designated funds are treated as restricted funds as they contain funds restricted by outside sources.

The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

### **2.17 Related parties**

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Society if that person:

- (i) Has control or joint control over the Society;
- (ii) Has significant influence over the Society; or
- (iii) Is a member of the key management personnel of the Society or of a parent of the Society;

(b) An entity is related to the Society if any of the following conditions applies:

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

**3. Significant accounting judgements and estimates**

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

**3.1 Key sources of estimation uncertainty**

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

*Useful lives of property, plant and equipment*

Management determines the estimated useful lives and the related depreciation for its property, plant and equipment based on the period over which the property, plant and equipment are expected to provide economic benefits. Management's estimation of the useful lives of property, plant and equipment is based on collective assessment of industry practice, internal technical evaluation and experience with similar assets.

The estimation of the useful lives of the property, plant and equipment could change significantly due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of property, plant and equipment. The depreciation charge is increased where useful lives are less than previously estimated lives.

The carrying value of property, plant and equipment as of 31 March 2018 and 2017 is S\$202,094 and S\$244,092 respectively.

Based on Management's assessment, no change in the estimated useful lives of property, plant and equipment is required as of 31 March 2018 and 2017.

**4. Donations**

	2018 S\$	2017 S\$
Tax exempt donations	200,749	191,409
Non-tax-exempt donations	315,891	206,502
	516,640	397,911
The donations were allocated as follows:		
• Designated general donations	112,119	366,669
• Designated fundraising events	404,521	31,104
• Designated the kindness space	0	138
	516,640	397,911

**5. Staff costs**

Included in the expenses expended are the following staff costs:

	2018 S\$	2017 S\$
Salaries and bonuses	1,071,705	697,640
Employer's contribution to CPF	148,305	97,627
Staff benefits	15,695	11,622
Medical	178	419
Training course	38,066	5,371
	1,273,949	812,679

The staff costs were allocated as follows:

• Cost of generating funds	1,848	5,192
• Cost of charitable activities	745,044	643,889
• Governance and administrative costs	527,057	163,598
	1,273,949	812,679

**6. Support cost**

The following support costs for financial years ended 31 March 2018 and 2017 were allocated as follows:

<u>Support Costs</u>	<u>Basis of Apportionment</u>
Staff costs	Number of employee to total staff
Communications	% of employee to total staff
Rental of building and equipment	Space occupied
Utilities	Space occupied
Insurance	Space occupied
Maintenance of building	Space occupied
Maintenance of equipment	Space occupied
Supplies and materials	% of employee to total staff
Depreciation	% of employee to total staff
Audit fee	% of employee to total staff
Bank service charges	% of employee to total staff

**7. Cash and cash equivalents**

	2018 S\$	2017 S\$
Cash on hand	8,833	1,872
Cash at banks	401,123	897,122
Fixed deposits	664,937	1,071,729
	1,074,893	1,970,723

The fixed deposits mature within 2 to 24 months (2017: 1 to 12 months) from the financial year end and earn interest at rate of 0.45% to 2% (2017: 0.45% to 2%) per annum.



**8. Other receivables**

	2018	2017
	S\$	S\$
Interest receivables on fixed deposits	3,608	6,148
Other receivables	33,749	8,440
Deposits	10,593	12,220
Prepayments	75,323	21,097
	<u>123,273</u>	<u>47,905</u>

**9. Inventories**

	2018	2017
	S\$	S\$
<u>Donations in-kind</u>		
At beginning of financial year	7,547	7,712
Additions	88,003	96,199
Distributions	(90,872)	(96,364)
At end of financial year	<u>4,678</u>	<u>7,547</u>

**10. Property, plant and equipment**

	Leasehold improvements S\$	Furniture and fixtures S\$	Office equipment S\$	Renovation S\$	Equipment S\$	Total S\$
<b>Cost</b>						
At 1 April 2016	190,371	25,096	101,802	67,635	0	384,904
Additions	0	0	41,252	213,926	0	255,178
At 31 March 2017	190,371	25,096	143,054	281,561	0	640,082
Additions	0	13,106	33,665	117,826	7,414	172,011
At 31 March 2018	190,371	38,202	176,719	399,387	7,414	812,093
<b>Accumulated depreciation</b>						
At 1 April 2016	190,371	25,096	79,019	35,077	0	329,563
Depreciation charge	0	0	18,184	48,243	0	66,427
At 31 March 2017	190,371	25,096	97,203	83,320	0	395,990
Depreciation charge	0	3,674	27,845	181,625	865	214,009
At 31 March 2018	190,371	28,770	125,048	264,945	865	609,999
<b>Carrying amount</b>						
31 March 2017	0	0	45,851	198,241	0	244,092
31 March 2018	0	9,432	51,671	134,442	6,549	202,094

Assets held under finance lease

Office equipment with carrying amounts of S\$3,591 (2017: S\$6,669) were assets acquired under finance lease as disclosed in Note 12.

**11. Other payables**

	2018 S\$	2017 S\$
Advance donations and memberships	10,710	30,740
Advance projects & events	1,006	0
Advance seminar	42,753	0
Other payables	11,212	8,257
Accruals	6,297	5,700
	71,978	44,697

**12. Finance lease liabilities**

	2018 S\$	2017 S\$
Current	1,827	1,704
Non-current	4,376	6,203
	6,203	7,907

	Minimum lease payment S\$	Finance charges S\$	Present value of payments S\$
<b>2018</b>			
Not later than one year	2,157	330	1,827
Later than one year but not later than five years	4,674	298	4,376
	6,831	628	6,203
<b>2017</b>			
Not later than one year	2,157	453	1,704
Later than one year but not later than five years	6,831	628	6,203
	8,988	1,081	7,907

The Society leases office equipment from non-related parties under finance leases. Lease term do not contain restrictions concerning dividends, additional debt or further leasing.

The effective interest rate for the finance lease is approximately 3.36% (2017: 3.36%) per annum with a remaining lease term up to 38 months (2017: 50 months).

The obligations under finance lease are secured by the lessors' title to the leased assets as disclosed in Note 10.

**13. Pitt Chin Hui Memorial Fund**

The fund is meant for programmes that help the needy.

**14. General Fund**

The General Fund are expendable at the discretion of the Management in furtherance of the Society's objects and purposes.

**15. Maintenance Fund**

The fund pertains to the balance of the building fund that was re-designated by the Management Committee during the financial year 2013. The fund will be used for building cyclical maintenance purposes.

**16. President's Challenge**

Initiated by former President S R Nathan in 2000 and continued by President Tony Tan in 2012, the President's Challenge is an annual series of events to create greater awareness of the needs of the social service voluntary sector, and to mobilise the community to help the disadvantaged and less fortunate in our midst.

**17. Counselling & Casework Programme Fund**

Counselling and Casework Programme is funded by the NCSS Community Chest and to provide services to children and youth, adults and families regardless of race, religion or ability to pay. This fund is restricted to be used exclusively for this programme only and any accumulated surplus from past years ploughed back only to the same programme.

**18. Care & Share Fund**

The Care & Share Fund is a matching grant of one dollar for every donation raised by the Society provided by the Government in celebration of SG50 to build capabilities and capabilities of the social service sector.

**19. Number of employees**

The number of employees in the Society at the end of the reporting date was 25 (2017: 20). As disclosed in Note 5, total staff costs as at year-end amounted to S\$1,273,949 (2017: S\$812,679).

**20. Operating lease commitment**

The Company leases a food stall and office equipment under non-cancellable operating lease agreement. This lease has varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating lease contracted for at the reporting date but not recognised as liabilities, was as follows:

	2018 S\$	2017 S\$
Not later than one year	37,896	4,296
Later than one year but not later than five years	13,598	17,894
	51,494	22,190

**21. Related party transactions and balances**

**(a) Related party transactions and balances**

There was no transaction between the Society and related party for the financial year ended 31 March 2018 and 31 March 2017.

**21. Related party transactions and balances (Cont'd)**

**(b) Compensation of key management personnel**

Key management personnel compensation for the financial year was as follows:

	2018 S\$	2017 S\$
Executives' remuneration:		
Salaries and bonuses	306,605	168,088
Employer's contribution to CPF	30,371	20,816
	336,976	188,904
No. of executives of the Society in remuneration bands:		
Below S\$100,000	4	4
Above S\$100,000	1	0

**22. Financial instruments**

The financial assets and liabilities of the Society as at the financial reporting date are as follows:

	2018 S\$	2017 S\$
<u>Financial Assets</u>		
Loans and receivables		
Cash and cash equivalents	1,074,893	1,970,723
Other receivables (excluding prepayments and advances)	47,950	26,808
	1,122,843	1,997,531
<u>Financial Liabilities</u>		
Other payables (excluding advance donations and membership, projects, events and seminar)	17,509	13,957
Finance lease liabilities	6,203	7,907
	23,712	21,864

**23. Financial risk management**

The Society is mainly exposed to interest rate risk, credit risk and liquidity risk.

Risk management is carried out under policies approved by the Management Committee. The Board provides written principles for overall risk management, as well as written policies covering specific areas, such as currency risk, interest rate risk, credit risk and liquidity risk use of derivative financial instruments and investing excess liquidity.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates. The Society's exposure to interest rate risk arises primarily from their cash and cash equivalents.

The Society does not expect any significant effect on the Society's income or expenditure arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

**23. Financial risk management (Cont'd)**

Interest rate risk (Cont'd)

Sensitivity analysis for interest rate risk

At the reporting date, the interest rate profile of the Society's interest-bearing financial instruments was as follows:

	2018 S\$	2017 S\$
<b>Fixed rate instruments</b>		
<u>Financial assets</u>		
Fixed deposits	664,937	1,071,729
<u>Financial liabilities</u>		
Finance lease liabilities	6,203	7,907

The sensitivity analysis is based on changes in the interest rates of variable rate financial instruments.

At the reporting date, the Society does not have variable rate interest-bearing financial instruments.

Credit risk

Credit risk is the potential financial loss resulting from the customer defaulting on its contractual obligations to the Society.

The Society has minimal exposure to credit risks due to the nature of its activities.

Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its financial obligations due to shortage of funds. The Society exposure to liquidity risk arises primarily from mis-matches of the maturities of financial assets or liabilities.

Management monitors and ensures that the Society maintains a level of cash and cash equivalents deemed adequate to finance the Society's operations.

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

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2018</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,074,893	0	1,074,893
Other receivables (excluding prepayments and advances)	47,950	0	47,950
	1,122,843	0	1,122,843
<b>Financial liabilities</b>			
Other payables (excluding advance donations and membership, projects; events and seminar)	(17,509)	0	(17,509)
Finance lease liabilities	(2,157)	(4,674)	(6,831)
	(19,666)	(4,674)	(24,340)
Net financial assets	1,103,177	(4,674)	1,098,503

**23. Financial risk management (Cont'd)**

Liquidity risk (Cont'd)

	Within one year S\$	Later than one year but not later than five years S\$	Total S\$
<b>2017</b>			
<b>Financial assets</b>			
Cash and cash equivalents	1,970,723	0	1,970,723
Other receivables (excluding prepayments and advances)	26,808	0	26,808
	<u>1,997,531</u>	<u>0</u>	<u>1,997,531</u>
<b>Financial liabilities</b>			
Other payables (excluding advance donations and membership)	(13,957)	0	(13,957)
Finance lease liabilities	(2,157)	(6,831)	(8,988)
	<u>(16,114)</u>	<u>(6,831)</u>	<u>(22,945)</u>
Net financial assets	<u>1,981,417</u>	<u>(6,831)</u>	<u>1,974,586</u>

**24. Fundraising expenses**

	2018 S\$	2017 S\$
Gross donations	404,521	31,104
Direct costs of fund raising expenses	347	1,164
Percentage of direct fund-raising expenses over gross donations	<u>0.09%</u>	<u>3.74%</u>

**25. Reserve position and policy**

The Society's reserve position for financial year ended 31 March 2018 is as follows:

	2018 S\$	2017 S\$	Increase/ (decrease) %
A Unrestricted Funds			
Pitt Chin Hui Memorial Fund	34,302	25,452	34.8%
General Fund	300,621	928,494	(67.6%)
B Restricted Funds			
Maintenance Fund	66,237	66,237	0
President's Challenge	41,775	41,775	0
Counselling & Casework Programme Fund	18,650	194,437	(90.4%)
Care & Share Fund	865,172	961,268	(10%)
C Endowment Fund	N/A	N/A	N/A
D Total Funds	1,326,757	2,217,663	(40.2%)
E Total Annual Operating Expenditure	2,364,394	1,377,951	71.6%
F Ratio of Funds to Annual Operating Expenditure (A/E)	0.14	0.69	

Reference:

C. An endowment fund consists of assets, funds or properties that are held in perpetuity which produce annual income flow for a foundation to spend as grants.

D. Total Funds include unrestricted, restricted/ designated and endowment funds.

E. Total Annual Operating Expenditure includes expenses related to Cost of Generating Funds, Cost of Charitable Activities and Governance and Administration costs.

**25. Reserve position and policy (Cont'd)**

The Society's reserve policy is as follows:

The reserve of the Society provides financial stability and the means for the development of the Society's activities. The Management Committee intends to maintain the reserves at a level sufficient for its operating needs. The Society reviews the level of reserves regularly for the Society's continuing obligations.

**26. Management of conflict of interest**

During the current and previous financial year, none of the Management Committee received any remuneration from the Society.

Management Committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's supplier, user of services or beneficiary. Should there be any potential conflict of interest, the affected Management Committee may not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

**27. Authorisation of financial statements**

The financial statements for the financial year ended 31 March 2018 were authorised for issue in accordance with a resolution of the Management Committee on **12 JUN 2018**