

Shan You

[UEN. S95SS0103B]

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

**AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 MARCH 2020**

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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
F: (65) 6491.5218

STATEMENT BY THE MANAGEMENT COMMITTEE

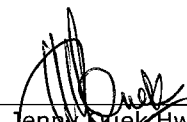
In the opinion of the Management Committee, the accompanying financial statements of Shan You (the "Society") are drawn up so as to present fairly, in all material respects, the state of affairs of the Society as at 31 March 2020, and the results, changes in funds and cash flows of the Society for the 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 **02 OCT 2020**

Jenny Quek Hwee Huang	President	
Patrick Peck Wee Boon	Vice President	
Lee Hian Hui	Honorary Secretary	
Wilson Tan Chee Wee	Assistant Honorary Secretary	
Katherine Tay Chiew Har	Honorary Treasurer	
Eddy Lim Seok Boon	Assistant Honorary Treasurer	
Jenny Tan Eng Eng	Committee Member	
Wong Tzai Chian	Committee Member	
Ong Keen Choon	Committee Member	(Appointed on 30 October 2019)
Yeh Chien Ee	Committee Member	(Resigned on 30 October 2019)
Yee Liang Chien	Committee Member	(Resigned on 01 April 2020)

For and on behalf of the Management Committee,



Jenny Quek Hwee Huang
President

Singapore, **02 OCT 2020**



Katherine Tay Chiew Har
Honorary Treasurer

Suhaimi Salleh & Associates

Public Accountants and
Chartered Accountants of Singapore

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Independent auditor's report to the members of:

Shan You

[UEN. S95SS0103B]

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in the Republic of Singapore]

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 as at 31 March 2020, the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the 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 2020 and the results, changes in the funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management 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 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.

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 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.

Suhaimi Salleh & Associates

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(CONT'D)

Independent auditor's report to the members of:

Shan You

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Responsibilities of Management and Those Charged with Governance for the Financial Statements (Cont'd)

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.

Suhaimi Salleh & Associates

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Chartered Accountants of Singapore

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(CONT'D)

Independent auditor's report to the members of:

Shan You

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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; and
- (b) the fund-raising appeals held during the year ended 31 March 2020 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

Public Accountants and
Chartered Accountants

Singapore, **02 OCT 2020**

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

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	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\$	Counselling and Casework Programme Fund		Charity Support Fund S\$	Total Restricted Funds S\$	
						NCSS Funded S\$	Other Fundings S\$			
2020										
INCOME										
Income from generating funds										
<u>Voluntary income</u>										
Designated general										
donations	5	0	142,472	142,472	0	0	0	0	0	142,472
Unsolicited donations	5	0	94,143	94,143	0	200	3,000	0	3,200	97,343
Donations in-kind		0	96,161	96,161	0	0	0	0	0	96,161
Grants:										
NCSS – Charity Support Fund		0	0	0	0	0	0	50,000	50,000	50,000
NCSS – EOM Funding		0	0	0	0	458,801	0	0	458,801	458,801
NCSS – ICT telecom subsidy		0	600	600	0	0	0	0	0	600
HPB – Elephant in Our Community		0	0	0	0	0	40,365	0	40,365	40,365
Others – Employment Grants		0	12,796	12,796	0	427	0	0	427	13,223
Membership dues		0	260	260	0	0	0	0	0	260
		0	346,432	346,432	0	459,428	43,365	0	552,793	899,225
Activities for generating funds										
Designated fundraising										
events	5	0	145,716	145,716	0	0	0	0	0	145,716
Sales		0	2,764	2,764	0	0	0	0	0	2,764
		0	148,480	148,480	0	0	0	0	0	148,480
Investment income										
Interest on fixed deposits		0	4,051	4,051	0	0	0	0	0	4,051
		0	4,051	4,051	0	0	0	0	0	4,051
Income from charitable activity										
Programme fees		0	188,688	188,688	0	71,813	39,540	0	4,560	304,601
		0	188,688	188,688	0	71,813	39,540	0	4,560	304,601
Total income		0	687,651	687,651	0	531,241	82,905	0	54,560	1,356,357

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (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\$	Counselling and Casework Programme Fund		Care & Share Fund S\$	Charity Support Fund S\$		Total Restricted Funds S\$
						NCSS Funded S\$	Other Fundings S\$				
2020 (CONT'D)											
EXPENDITURE											
Cost of generating funds											
Activities for voluntary income											
Communications		0	41	41	0	0	0	0	0	0	41
Transport expenses		0	49	49	0	0	0	0	0	0	49
		0	90	90	0	0	0	0	0	0	90
Activities for generating fund											
Cost of works		0	78	78	0	0	0	0	0	0	78
Designated fundraising events	26	0	24,757	24,757	0	0	0	0	0	0	24,757
Cost of vegetarian stall		0	5,296	5,296	0	0	0	0	0	0	5,296
		0	30,131	30,131	0	0	0	0	0	0	30,131
Cost of charitable activities											
Communications		0	4,757	4,757	0	1,591	388	0	0	1,979	6,736
Contract labour		8,932	952	9,884	0	0	0	2,316	0	2,316	12,200
Cost of donations in-kind distributed		0	94,353	94,353	0	0	0	0	0	0	94,353
Counselling cost		0	0	0	0	5,193	0	0	0	5,193	5,193
Food ration purchase		4,303	0	4,303	0	0	0	5,820	0	5,820	10,123
Free meal purchase		3,510	0	3,510	0	0	0	9,210	0	9,210	12,720
Insurance		0	(64)	(64)	0	164	38	0	0	202	138
Maintenance of building		0	0	0	3,611	1,787	412	0	0	5,810	5,810
Maintenance of equipment		0	5,130	5,130	0	3,732	858	(824)	0	3,766	8,896
Staff costs	6	0	226,501	226,501	0	353,614	40,553	96,987	66,402	557,556	784,057
Professional fee		0	0	0	0	3,700	2,779	0	0	6,479	6,479
Programme costs		2,055	101,340	103,395	0	18	36,316	11,830	15,404	63,568	166,963
Recruitment		0	238	238	0	212	49	0	0	261	499
Rental of building and equipment		0	27,723	27,723	0	17,035	3,926	9,353	2,806	33,120	60,843
balance c/f		18,800	460,930	479,730	3,611	387,046	85,319	134,692	84,612	695,280	1,175,010

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (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\$	Counselling and Casework Programme Fund		Care & Share Fund S\$	Charity Support Fund	Total Restricted Funds S\$		
					NCSS Funded S\$	Other Fundings S\$					
2020 (CONT'D)											
EXPENDITURE (CONT'D)											
Cost of charitable activities (Cont'd)											
Balance b/f	18,800	460,930	479,730	3,611	387,046	85,319	134,692	84,612	695,280	1,175,010	
Recurring operating expenses	0	58,205	58,205	0	0	0	(58,205)	0	(58,205)	0	
Supplies and materials	0	6,892	6,892	0	6,026	1,244	0	0	7,270	14,162	
Transport expenses	0	284	284	0	8	2	0	0	10	294	
Utilities	6,536	5,132	11,668	0	8,825	2,034	0	0	10,859	22,527	
	25,336	531,443	556,779	3,611	401,905	88,599	76,487	84,612	655,214	1,211,993	
Governance and administrative costs											
Audit fee – current year	0	2,444	2,444	0	2,078	478	0	0	2,556	5,000	
Audit fee – previous year	0	200	200	0	0	0	0	0	0	200	
Bank service charges	0	2,950	2,950	0	1,968	672	0	0	2,640	5,590	
Communications	0	262	262	0	0	0	0	0	0	262	
Depreciation of property, plant and equipment	11	0	66,243	0	46,727	10,764	0	0	57,491	123,734	
Insurance	0	24	24	0	0	0	0	0	0	24	
Insurance – Committee members	0	906	906	0	714	164	0	0	878	1,784	
Other expenses	0	888	888	0	0	0	0	0	0	888	
Maintenance of building	0	0	0	313	0	0	0	0	313	313	
Maintenance of equipment	0	558	558	0	0	0	0	0	0	558	
Staff costs	6	0	119,193	0	100,378	23,087	18,838	0	142,303	261,496	
Recruitment	0	31	31	0	0	0	0	0	0	31	
Rental of building and equipment	0	2,956	2,956	0	0	0	0	0	0	2,956	
Supplies and materials	0	850	850	0	0	0	0	0	0	850	
Transport expenses	0	1	1	0	0	0	0	0	0	1	
Utilities	0	1,546	1,546	0	0	0	0	0	0	1,546	
	0	199,052	199,052	313	151,865	35,165	18,838	0	206,181	405,233	

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Unrestricted Funds			Restricted Funds							Total Unrestricted and Restricted Funds S\$
	Pitt Chin Hui Memorial Fund (Designated Fund)	General Fund	Total Unrestricted Funds S\$	Maintenance Fund S\$	Counselling and Casework Programme Fund			Care & Share Fund S\$	Charity Support Fund S\$	Total Restricted Funds S\$	
					NCSS Funded	Other Fundings					
2020 (CONT'D)	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
EXPENDITURE (CONT'D)											
Finance costs											
Interest expenses on finance lease	0	215	215	0	0	0	0	0	0	0	215
	0	215	215	0	0	0	0	0	0	0	215
Total expenditure	25,336	760,931	786,267	3,924	553,770	123,764	95,325	84,612		861,395	1,647,662
Net expenditure for the year	(25,336)	(73,280)	(98,616)	(3,924)	(22,529)	(40,859)	(95,325)	(30,052)		(192,689)	(291,305)
Total funds brought forward	25,336	608,372	633,708	66,237	(189,972)	(3,469)	324,249	24,857		221,902	855,610
Transfer of funds	0	(226,568)	(226,568)	(35,456)	212,501	44,328	0	5,195		226,568	0
Total funds carried forward	0	308,524	308,524	26,857	0	0	228,924	0		255,781	564,305

Note

2020 (CONT'D)

EXPENDITURE (CONT'D)

Finance costs

Interest expenses on
finance lease

Total expenditure

Net expenditure for the year

Total funds brought forward

Transfer of funds

Total funds carried forward

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Note

2020 (CONT'D)
EXPENDITURE (CONT'D)

Finance costs
Interest expenses on
finance lease

Total expenditure

Net expenditure for the year

Total funds brought forward

Transfer of funds

Total funds carried forward

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (CONT'D)**

	Note	Unrestricted Funds		Restricted Funds							Total	
		Pitt Chin Hui Memorial Fund (Designated Fund)	General Fund	Total Unrestricted Funds	Maintenance Fund	President's Challenge	Casework Programme			Charity Support Fund	Total Restricted Funds	Unrestricted and Restricted Funds
							NCSS Funded	Other Fundings	Care & Share Fund			
		S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
2019 INCOME												
Income from generating funds												
Voluntary income												
Designated general donations	5	0	121,181	121,181	0	0	0	0	0	0	0	121,181
Unsolicited donations	5	0	52,099	52,099	0	0	0	0	0	0	0	52,099
Donations in-kind		0	113,961	113,961	0	0	0	0	0	0	0	113,961
Grants:												
MSF - Care and Share Fund		0	0	0	0	0	0	0	100,781	0	100,781	100,781
NCSS - Charity Support Fund		0	0	0	0	0	0	0	0	50,000	50,000	50,000
NCSS - EOM Funding		0	0	0	0	0	455,177	0	0	0	455,177	455,177
HPB - Elephant in Our Community		0	0	0	0	0	0	17,246	0	0	17,246	17,246
Others - Employment Grants		0	26,514	26,514	0	0	432	0	0	0	432	26,946
Membership dues		0	230	230	0	0	0	0	0	0	0	230
		0	313,985	313,985	0	0	455,609	17,246	100,781	50,000	623,636	937,621
Activities for generating funds												
Designated fundraising events	5	0	396,285	396,285	0	0	0	40,000	0	0	40,000	436,285
Sales		0	95,503	95,503	0	0	0	15	0	0	15	95,518
		0	491,788	491,788	0	0	0	40,015	0	0	40,015	531,803
Investment income												
Interest on fixed deposits		0	18,062	18,062	0	0	0	0	0	0	0	18,062
		0	18,062	18,062	0	0	0	0	0	0	0	18,062
Income from charitable activity												
Programme fees		0	258,821	258,821	0	0	60,481	11,199	0	0	71,680	330,501
		0	258,821	258,821	0	0	60,481	11,199	0	0	71,680	330,501
Total income		0	1,082,656	1,082,656	0	0	516,090	68,460	100,781	50,000	735,331	1,817,987

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020 (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 Fund			Charity Support Fund S\$	Total Restricted Funds S\$		
					NCSS Funded S\$	Other Fundings S\$	Care & Share Fund S\$				
2019 (CONT'D)											
EXPENDITURE											
Cost of generating funds											
Activities for voluntary income											
Communications	0	484	484	0	0	0	0	0	0	0	484
Contract labour	0	9	9	0	0	0	0	0	0	0	9
Maintenance of equipment	0	9	9	0	0	0	0	0	0	0	9
Staff costs	0	0	0	0	0	0	0	0	5,210	0	5,210
Rental of building and equipment	0	39	39	0	0	0	0	0	0	0	39
Supplies and materials	0	266	266	0	0	0	0	0	0	0	266
Transport expenses	0	45	45	0	0	0	0	0	0	0	45
Utilities	0	94	94	0	0	0	0	0	0	0	94
	0	946	946	0	0	0	0	0	5,210	0	5,210
											6,156
Activities for generating fund											
Designated fundraising events	0	166,395	166,395	0	0	0	0	0	0	0	166,395
Designated project expenses	0	239	239	0	0	0	0	0	0	0	239
Cost of vegetarian stall	0	118,721	118,721	0	0	0	0	0	0	0	118,721
	0	285,355	285,355	0	0	0	0	0	0	0	285,355
Cost of charitable activities											
Communications	0	7,012	7,012	0	0	3,029	919	0	0	3,948	10,960
Contract labour	0	11,119	11,119	0	0	0	1,840	3,276	0	5,116	16,235
Cost of donations in-kind distributed	0	110,597	110,597	0	0	0	0	0	0	0	110,597
Food ration purchase	0	8,365	8,365	0	0	0	0	0	0	0	8,365
Free meal purchase	8,966	0	8,966	0	0	0	0	0	0	0	8,966
Insurance	0	680	680	0	0	166	50	0	0	216	896
Maintenance of building	0	4,601	4,601	0	0	2,264	670	1,750	0	4,684	9,285
Maintenance of equipment	0	3,648	3,648	0	0	5,432	1,616	9,947	0	16,995	20,643
Staff costs	0	366,985	366,985	0	0	489,292	44,944	240,238	22,640	797,114	1,164,099
Professional fee	0	0	0	0	0	6,800	1,075	0	0	7,875	7,875
Balance c/f	8,966	513,007	521,973	0	0	506,983	51,114	255,211	22,640	835,948	1,357,921

2019 (CONT'D)
EXPENDITURE (CONT'D)
Cost of charitable activities (Cont'd)

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

STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Cash and cash equivalents	8	603,514	681,330
Other receivables	9	129,193	54,710
Inventories	10	9,851	8,043
		<u>742,558</u>	<u>744,083</u>
Non-current asset			
Property, plant and equipment	11	<u>44,834</u>	<u>170,206</u>
Total assets		<u>787,392</u>	<u>914,289</u>
LIABILITIES			
Current liabilities			
Other payables	12	220,660	54,303
Finance lease liabilities	13	<u>2,070</u>	<u>1,949</u>
		<u>222,730</u>	<u>56,252</u>
Non-current liability			
Finance lease liabilities	13	<u>357</u>	<u>2,427</u>
Total liabilities		<u>223,087</u>	<u>58,679</u>
NET ASSETS		<u>564,305</u>	<u>855,610</u>
FUNDS			
Unrestricted funds			
Pitt Chin Hui Memorial Fund (Designated Fund)	15	0	25,336
General Fund	16	<u>308,524</u>	<u>608,372</u>
		<u>308,524</u>	<u>633,708</u>
Restricted funds			
Maintenance Fund	17	26,857	66,237
President's Challenge	18	0	0
Counselling & Casework Programme Fund	19	0	(193,441)
Care & Share Fund	20	228,924	324,249
Charity Support Fund	21	<u>0</u>	<u>24,857</u>
		<u>255,781</u>	<u>221,902</u>
TOTAL FUNDS		<u>564,305</u>	<u>855,610</u>

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

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	Balance at beginning of year S\$	Net income/ (expenditure) for the year S\$	(Note 14) Transfer of funds S\$	Balance at end of year S\$
2020					
Unrestricted funds					
Pitt Chin Hui Memorial Fund	15	25,336	(25,336)	0	0
General fund	16	608,372	(73,280)	(226,568)	308,524
		<u>633,708</u>	<u>(98,616)</u>	<u>(226,568)</u>	<u>308,524</u>
Restricted funds					
Maintenance Fund	17	66,237	(3,924)	(35,456)	26,857
Counselling & Casework Programme Fund – NCSS Funded		(189,972)	(22,529)	212,501	0
Counselling & Casework Programme Fund – Other Fundings		(3,469)	(40,859)	44,328	0
	19	<u>(193,441)</u>	<u>(63,388)</u>	<u>256,829</u>	<u>0</u>
Care & Share Fund	20	324,249	(95,325)	0	228,924
Charity Support Fund	21	24,857	(30,052)	5,195	0
		<u>221,902</u>	<u>(192,689)</u>	<u>226,568</u>	<u>255,781</u>
Total funds		<u>855,610</u>	<u>(291,305)</u>	<u>0</u>	<u>564,305</u>
2019					
Unrestricted funds					
Pitt Chin Hui Memorial Fund	15	34,302	(8,966)	0	25,336
General fund	16	300,621	52,249	255,502	608,372
		<u>334,923</u>	<u>43,283</u>	<u>255,502</u>	<u>633,708</u>
Restricted funds					
Maintenance Fund	17	66,237	0	0	66,237
President's Challenge	18	41,775	0	(41,775)	0
Counselling & Casework Programme Fund – NCSS Funded		(36,708)	(153,264)	0	(189,972)
Counselling & Casework Programme Fund – Other Fundings		55,358	(58,827)	0	(3,469)
	19	<u>18,650</u>	<u>(212,091)</u>	<u>0</u>	<u>(193,441)</u>
Care & Share Fund	20	865,172	(327,196)	(213,727)	324,249
Charity Support Fund	21	0	24,857	0	24,857
		<u>991,834</u>	<u>(514,430)</u>	<u>(255,502)</u>	<u>221,902</u>
Total funds		<u>1,326,757</u>	<u>(471,147)</u>	<u>0</u>	<u>855,610</u>

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

**STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020**

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Net expenditure for the year		(291,305)	(471,147)
Adjustments for:			
- Depreciation of property, plant and equipment	11	123,734	75,914
- Property, plant and equipment written off		888	0
- Interest expense on finance lease liabilities		209	509
- Interest income on fixed deposits		(4,051)	(18,062)
Operating cash flow before working capital changes		(170,525)	(412,786)
Changes in operating assets and liabilities			
- Inventories		(1,808)	3,365
- Other receivables		(74,483)	68,563
- Other payables		166,357	(17,675)
Net cash used in operating activities		(80,459)	(358,533)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		750	0
Interest received		4,051	11,332
Purchases of property, plant and equipment	11	0	(44,026)
Net cash generated from/(used in) investing activities		4,801	(32,694)
Cash flows from financing activities			
Finance lease interest paid		(209)	(509)
Repayment of finance lease liabilities		(1,949)	(1,827)
Net cash used in financing activities		(2,158)	(2,336)
Net decrease in cash and cash equivalents		(77,816)	(393,563)
Cash and cash equivalents at beginning of financial year		681,330	1,074,893
Cash and cash equivalents at end of financial year	8	603,514	681,330

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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.

Shan You Wellness Centre is a division of Shan You and its registered office and the principal place of operation is located at 3 Eunus Cres, Singapore 400003. The Wellness Community project was started to expand Shan You's social services activities. The goal of the Wellness Community is to improve the quality of life through strengthening the five different aspects of wellness for individuals and families. Our activities promote intergenerational bonding for families, seniors, children and youths, and encourage community spirit and inter-racial harmony.

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 has renewed its IPC status from 01 June 2019 to 01 December 2020.

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.

The objects for which the Society is established are:

- (a) to promote behavioural, mental and physical health of the community;
- (b) to encourage the development of family life and individual well-being through intergenerational bonding;
- (c) to provide opportunities for volunteers to render social services to the community, to provide expertise and resources to develop, train, manage and supervise these volunteers; and
- (d) to disseminate information on behavioural, mental and physical health, social policies and community services through professional training, public education, seminars and distribution of brochures and media resources.

The Society has ceased its vegetarian stall business on 30 April 2019.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and the disclosure requirements of the Societies Act and the Charities Act, Chapter 37. The financial statements have been prepared under the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar ("S\$"), which is 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. Significant accounting policies (Cont'd)

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 Interest income

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

2.2.4 Programme fees

Programme fees is recognised when the programmes are conducted.

2.2.5 Other income

Other income is recognised when received.

2.3 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to the statement of financial activities over the expected useful life of the relevant asset by equal annual instalments.

Where loans or similar assistance are provided by governments or related institutions with an interest rate below the current applicable market rate, the effect of this favourable interest is regarded as additional government grant.

2.4 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.

2.4.1 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. Significant accounting policies (Cont'd)

2.4 Expenditures recognition (Cont'd)

2.4.2 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.

2.4.3 Governance and administrative costs

Governance costs include the costs of governance arrangement, which relate 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.

2.5 Property, plant and equipment

2.5.1 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 cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal and restoration is included as a consequence of acquiring or using the property, plant and equipment.

2.5.2 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 statement of financial activities when the changes arise.

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

2.5.3 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 entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in statement of financial activities when incurred.

2. Significant accounting policies (Cont'd)

2.5 Property, plant and equipment (Cont'd)

2.5.4 Disposal

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

2.6 Financial assets

2.6.1 Recognition and measurement

Receivables, excluding prepayments, are initially recognised at their transaction price, excluding transaction costs, if any. Transaction costs are recognised as expenditure in the statement of financial activities as incurred. Prepayments are initially recognised at the amount paid in advance for the economic resources expected to be received in the future.

Receivables in financial assets are subsequently measured at cost less accumulated impairment losses.

2.6.2 Derecognition

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.

2.6.3 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.

An allowance for impairment of other receivables 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 are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.7 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with financial institutions and short-term highly liquid investments that are readily convertible to a known amount of cash, which are subject to an insignificant risk of changes in value.

2. Significant accounting policies (Cont'd)

2.8 Inventories

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

2.9 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 liability includes "Other payables" and "Finance lease liabilities".

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.

2.10 Other payables

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

2.11 Provisions 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.

2.12 Operating leases as lessee

Leases where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the statement of financial activities on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the statement of financial activities when incurred.

2.13 Employee compensation

2.13.1 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. Significant accounting policies (Cont'd)

2.13 Employee compensation (Cont'd)

2.13.2 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.

2.14 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.

2.15 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.16 Events after the reporting date

Post year-end events that provide additional information about the Society's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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 Judgements made in applying accounting policies

The key critical judgements in applying the entity's accounting policies concerning the future at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Government grants

Government grants to meet operating expenses are recognised as income in the income and expenditure statement on the accrual basis in the year these operating expenses were incurred and there is reasonable assurance that the Society will comply with the conditions attached to it. For certain grants, the government agencies reserve the right to withdraw, withhold or reduce the amount of any funds approved but not yet disbursed or to call for the refund of all funds which have been disbursed to the Society if the conditions are not met.

3. Significant accounting judgements and estimates (Cont'd)

3.2 Key sources of estimation uncertainty

Management is of the opinion that there are no key sources of estimation uncertainty at the end of the financial year that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. 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.

5. Donations

	2020 S\$	2019 S\$
Tax exempt donations	268,712	476,474
Non-tax-exempt donations	116,819	133,091
	<u>385,531</u>	<u>609,565</u>
The donations were allocated as follows:		
• Designated general donations	142,472	121,181
• Unsolicited donations	97,343	52,099
• Designated fundraising events	145,716	436,285
	<u>385,531</u>	<u>609,565</u>

During the financial year, the Society issued tax deductible receipts for donations totalling S\$285,922 (2019: S\$466,050) pursuant to its Institutions of a Public Character ("IPC") status.

6. Staff costs

	2020 S\$	2019 S\$
Salaries and bonuses	902,286	1,113,837
Employer's contribution to CPF	115,592	167,608
Staff benefits	17,973	22,486
Medical	0	75
Training course	9,702	13,612
	<u>1,045,553</u>	<u>1,317,618</u>
The staff costs were allocated as follows:		
• Cost of generating funds	0	5,210
• Cost of charitable activities	784,057	1,164,099
• Governance and administrative costs	261,496	148,309
	<u>1,045,553</u>	<u>1,317,618</u>

7. Support costs

The following support costs for financial years ended 31 March 2020 and 31 March 2019 were allocated as follows:

	2020	2019
<u>Support Costs</u>	<u>Basis of Apportionment</u>	<u>Basis of Apportionment</u>
Staff costs	Number of employees to total staff	Number of employees to total staff
Communications	% of employee to total staff	% of employee to total staff
Rental of building and equipment	% of employee to total staff	% of employee to total staff
Utilities	% of employee to total staff	% of employee to total staff
Insurance	% of employee to total staff	% of employee to total staff
Maintenance of building	% of employee to total staff	% of employee to total staff
Maintenance of equipment	% of employee to total staff	% of employee to total staff
Supplies and materials	% of employee to total staff	% of employee to total staff
Depreciation	% of employee to total staff	% of employee to total staff
Audit fee	% of employee to total staff	% of employee to total staff
Bank service charges	% of employee to total staff	% of employee to total staff

8. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash on hand	942	4,003
Cash at banks	409,350	58,786
Fixed deposits	193,222	618,541
	<u>603,514</u>	<u>681,330</u>

The fixed deposits mature within 1 to 3 months (2019: 1 to 3 months) from the financial year end and earn interest at rate from 1.40% to 1.70% (2019: 1.50% to 1.70%) per annum.

At the reporting date, the carrying amounts of cash and cash equivalents approximated their fair values.

9. Other receivables

	2020 S\$	2019 S\$
Other receivables	17,479	17,479
Less: Allowance for impairment	(17,479)	(17,479)
	<u>0</u>	<u>0</u>
Grant receivables – NCSS	8,800	5,715
Grant receivables – Jobs Support Scheme	70,756	0
Donation receivables	4,482	0
Programme fee receivables	6,018	7,334
Interest receivables on fixed deposits	440	3,506
Deposits	16,268	16,988
Prepayments	22,429	21,167
	<u>129,193</u>	<u>54,710</u>
Total other receivables	<u>129,193</u>	<u>54,710</u>

9. Other receivables (Cont'd)

The Jobs Support Scheme (JSS) provides wage support to employers to help them retain their local employees (Singapore Citizens and Permanent Residents) during this period of economic and pandemic uncertainty. JSS payouts are intended to offset local employees' wages and help protect their jobs.

At the reporting date, the carrying amounts of other receivables approximate their fair values.

There is no other class of financial assets that is past due and /or impaired except for other receivables.

Other receivables that are impaired

The Society's other receivables that were impaired at the reporting date and the movement of the allowance for impairment was as follows:

	2020 S\$	2019 S\$
Other receivables – Nominal amounts	17,479	17,479
Allowance for impairment	(17,479)	(17,479)
	<u>0</u>	<u>0</u>
	2020 S\$	2019 S\$
<i>Movements in allowance for impairment</i>		
At the beginning of financial year	17,479	0
Allowance made	0	17,479
At the end of financial year	<u>17,479</u>	<u>17,479</u>

Other receivables that were determined to be impaired at the reporting date relate to debtors that were in significant financial difficulties and had defaulted on payments. These receivables were not secured by any collateral or credit enhancements.

10. Inventories

	2020 S\$	2019 S\$
<u>Donations in-kind</u>		
At beginning of financial year	8,043	4,678
Additions	75,270	78,424
Distributions	(73,462)	(75,059)
At end of financial year	<u>9,851</u>	<u>8,043</u>

11. Property, plant and equipment

	Leasehold improvements S\$	Furniture and fixtures S\$	Office equipment S\$	Renovation S\$	Equipment S\$	Total S\$
Cost						
At 1 April 2018	190,371	38,202	176,719	399,387	7,414	812,093
Additions	0	0	11,446	32,580	0	44,026
At 31 March 2019	190,371	38,202	188,165	431,967	7,414	856,119
Disposal/written off	(190,371)	(25,096)	(62,236)	0	(7,414)	(285,117)
At 31 March 2020	0	13,106	125,929	431,967	0	571,002
Accumulated depreciation						
At 1 April 2018	190,371	28,770	125,048	264,945	865	609,999
Depreciation	0	4,369	28,253	39,827	3,465	75,914
At 31 March 2019	190,371	33,139	153,301	304,772	4,330	685,913
Depreciation	0	4,368	23,923	94,922	521	123,734
Disposal/written off	(190,371)	(25,096)	(63,161)	0	(4,851)	(283,479)
At 31 March 2020	0	12,411	114,063	399,694	0	526,168
Carrying amount						
31 March 2019	0	5,063	34,864	127,195	3,084	170,206
31 March 2020	0	695	11,866	32,273	0	44,834

Assets held under finance lease

Office equipment with carrying amounts of S\$Nil (2019: S\$513) were assets acquired under finance lease as disclosed in Note 13.

12. Other payables

	2020 S\$	2019 S\$
Donations received in advance	20,120	200
Projects & events fee received in advance	0	383
Seminar fee received in advance	20,158	8,063
Other payables	4,010	37,741
Accruals	105,616	7,916
Deferred grant income – Jobs Support Scheme	70,756	0
	<u>220,660</u>	<u>54,303</u>

The deferred grant income – Jobs Support Scheme (JSS) will be recognised as a grant income, on a systematic basis, over the estimated 10 months of economic uncertainty till January 2021 in which the entity recognises the related salary costs.

At the reporting date, the carrying amounts of other payables approximate their fair values.

13. Finance lease liabilities

	2020 S\$	2019 S\$
Current	2,070	1,949
Non-current	357	2,427
	<u>2,427</u>	<u>4,376</u>

	Minimum lease payment S\$	Finance charges S\$	Present value of payments S\$
2020			
Not later than one year	2,157	87	2,070
Later than one year but not later than five years	360	3	357
	<u>2,517</u>	<u>90</u>	<u>2,427</u>
2019			
Not later than one year	2,157	208	1,949
Later than one year but not later than five years	2,517	90	2,427
	<u>4,674</u>	<u>298</u>	<u>4,376</u>

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% (2019: 3.36%) per annum with a remaining lease term up to 14 months (2019: 26 months).

The obligations under finance lease are secured by the lessor's title to the leased assets as disclosed in Note 11.

14. Transfer of funds

Transfer of funds relate to appropriations or transfers of grants/funds from one fund to another fund to recognise utilisation of funds.

15. Pitt Chin Hui Memorial Fund

The fund is meant for programmes that help the needy.

16. General Fund

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

17. 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.

18. President's Challenge

This fund is set up to account for funds received from National Council of Social Service ("NCSS") for the purpose of managing and operating social service programmes. This was 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.

During the financial year ended 31 March 2019, the Board has identified total expenditure of S\$88,589 which was funded and utilised from the funds received from President Challenge 2015.

According to the Funds Report Form submitted to NCSS on 29 January 2019, President Challenge 2015's fund of S\$57,000 was fully utilised to cover part of staff costs and programme costs for the financial year 31 March 2018. As a result of this, there is a net transfer of S\$41,775 to General Fund as of 31 March 2019.

19. Counselling & Casework Programme Fund

Counselling and Casework Programme is funded by the National Council of Social Service ("NCSS") Community Chest Grant 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.

20. Care & Share Fund

Care and Share Matching Grant is a grant from Ministry of Social and Family Development ("MSF"), based on qualifying donations, to develop the charitable agency's capabilities and capacities in the provision of social services and develop programmes for its beneficiaries. The unused funds for programmes that are withdrawn or terminated prematurely may be clawed back if the new proposed programmes were not being approved by MSF.

21. Charity Support Fund

Charity Support Fund is funded by is funded by the National Council of Social Service ("NCSS") with support from Community Chest. The Community Chest Charity Support Fund will support programmes to empower social service users and families, capital expenditure and build capability for community engagements to benefit social service users.

22. Operating lease commitment

The Society leases a food stall and office equipment under non-cancellable operating lease agreement.

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

	2020 S\$	2019 S\$
Not later than one year	4,597	6,597
Later than one year but not later than five years	5,356	9,953
	<u>9,953</u>	<u>16,550</u>

23. Related party transactions and balances

(a) Related party transactions and balances

There was no transaction between the Society and related party for the financial years ended 31 March 2020 and 2019.

(b) Compensation of key management personnel

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

	2020 S\$	2019 S\$
<u>Executives' remuneration:</u>		
Salaries and bonuses	349,214	311,652
Employer's contribution to CPF	42,330	39,603
	<u>391,544</u>	<u>351,255</u>
 No. of executives of the Society in remuneration bands:		
- Below S\$100,000	3	4
- Above S\$100,000 and below S\$200,000	<u>2</u>	<u>1</u>

24. Number of employees

The number of employees in the Society at the end of the reporting date was 17 (2019: 22). As disclosed in the statement of financial activities, total staff costs as at year-end amounted to S\$1,045,553 (2019: S\$1,317,618).

25. Fund-raising expenses

	2020 S\$	2019 S\$
Gross donations	145,716	436,285
Direct costs of fund-raising expenses	24,757	166,395
Percentage of direct fund-raising expenses over gross donations	<u>17%</u>	<u>38%</u>

26. Reserve position and policy

The Society's reserve position for financial year ended 31 March 2020 is as follows:

		2020	2019	Increase/ (decrease)
		S\$	S\$	%
A	Unrestricted Funds			
	Pitt Chin Hui Memorial Fund	0	25,336	(100%)
	General Fund	308,524	608,372	(49%)
B	Restricted Funds			
	Maintenance Fund	26,857	66,237	(59%)
	President's Challenge	0	0	0%
	Counselling & Casework Programme Fund	0	(193,441)	100%
	Care & Share Fund	228,924	324,249	(29%)
	Charity Support Fund	0	24,857	100%
C	Endowment Fund	N/A	N/A	
D	Total Funds	564,305	855,610	(34%)
E	Total Annual Operating Expenditure	1,647,662	2,289,134	(28%)
F	Ratio of Funds to Annual Operating Expenditure (A/E)	0.19	0.28	

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.

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.

27. 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.

28. Events after reporting date

An outbreak of COVID-19 (Coronavirus Disease 2019) had been reported in China on 31 December 2019. At the date of these financial statements, while the outbreak has been most severe in Asia, it has spread to various regions around the world, including Australia, Europe, Middle East and the United States of America. While the full impact to the Society cannot be quantified reliably, the Society's performance subsequent to the reporting period is likely to be negatively impacted as a result of regional and global travel restrictions, quarantine and/or illness of employees, loss of customers, supply chain disruptions, and other forms of interruptions to business.

29. Authorisation of financial statements

The financial statements for the financial year ended 31 March 2020 were authorised for issue in accordance with a resolution of the Management Committee on **02 OCT 2020**