

SHINE CHILDREN AND YOUTH SERVICES
(UEN NO.S76SS0021F)

Audited Financial Statements

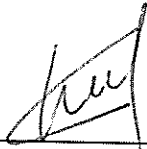
31 March 2022

Odds & Even Associates
*Public Accountants &
Chartered Accountants Singapore*

**SHINE CHILDREN AND YOUTH SERVICES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

In our opinion, the accompanying statement of financial position, statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows and the notes thereto present fairly, in all material aspects, the state of affairs of SHINE CHILDREN AND YOUTH SERVICES (the Charity) as at 31 March 2022 and of the results of the activities, changes in accumulated funds and cash flows of the Charity for the year then ended. At the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

On behalf of the Board,



WAN CHEE FOONG
Chairman



ONG CHEE SIONG
Hon. Secretary



GEOFFREY TEO
Hon. Treasurer



LEE SENG MENG
Executive Director

Singapore
Date: 21 June 2022

**SHINE CHILDREN AND YOUTH SERVICES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

Report on the Audit of the Financial Statements

We have audited the financial statements of SHINE CHILDREN AND YOUTH SERVICES (the Charity), which comprise the statement of financial position as at 31 March 2022, and the statement of comprehensive income, statement of changes in accumulated funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, other explanatory notes and accompanying appendix.

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Constitution of the Charity, provisions of the Societies Act, Chapter 311 (the Societies Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Charity as at 31 March 2022 and the results, changes in accumulated funds and cash flows of the Charity 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 Charity 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 Board. 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 FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity's financial reporting process.

**SHINE CHILDREN AND YOUTH SERVICES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

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 Charity'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 Charity'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 Charity to cease to continue as a going concern.
- 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.

**SHINE CHILDREN AND YOUTH SERVICES
INDEPENDENT AUDITORS' REPORT TO THE MEMBERS**

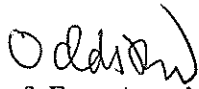
Report on Other Legal and Regulatory Requirements

In our opinion:

- (a) the accounting and other records required to be kept by the Charity 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 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 causes us to believe that during the year:

- (a) the Charity 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 Charity has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.


Odds & Even Associates
Public Accountants &
Chartered Accountants Singapore

21 JUN 2022

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF FINANCIAL POSITION AS AT 31 March 2022

	Notes	2022 \$	2021 \$
Assets			
Non-current assets			
Renovation and equipment	4	615,584	603,369
Intangible assets	5	<u>108,275</u>	<u>-</u>
		<u>723,859</u>	<u>603,369</u>
Current assets			
Trade and other receivables	6	566,099	290,043
Prepayments		94,319	85,506
Cash and cash equivalents	7	<u>16,269,392</u>	<u>16,042,216</u>
		<u>16,929,810</u>	<u>16,417,765</u>
Total assets		<u>17,653,669</u>	<u>17,021,134</u>
Funds and Reserves			
Unrestricted Funds:			
General reserves		7,513,552	6,614,135
Restricted Funds:			
Restricted funds from Government and other funders		2,641,678	3,129,466
The Daisy Play Foundation-SHINE Scholarship Fund		5,367,628	5,467,351
Y's Men's Club (Beta Chapter) Financial Assistance Fund		38,774	38,774
Asset Enhancement Fund	8	<u>56,876</u>	<u>56,775</u>
		<u>15,618,507</u>	<u>15,306,500</u>
Liabilities			
Non-current liabilities			
Funds received in advance		245,000	245,000
Deferred income		<u>275,000</u>	<u>175,933</u>
		<u>520,000</u>	<u>420,933</u>
Current liabilities			
Trade and other payables		1,304,601	1,225,931
Deferred income		<u>210,560</u>	<u>67,770</u>
		<u>1,515,162</u>	<u>1,293,701</u>
Total liabilities	9	<u>2,035,162</u>	<u>1,714,634</u>
Total funds and liabilities		<u>17,653,669</u>	<u>17,021,134</u>

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2022

	Notes	2022 \$	2021 \$
INCOME			
Tote Board Social Service		1,767,390	1,546,904
Ministry of Social and Family Development		997,293	1,141,094
Community Chest/NCSS Funding		697,459	781,718
MCCY/BCF		415,801	-
AIC(MOH)		404,342	211,760
SG Enable		351,946	87,986
Matching Grants		268,561	-
Job Growth Incentive/Job Support Scheme		254,585	1,072,378
Care & Share		108,385	-
Tax-deductible donations	10	564,973	865,945
Non-tax deductible donations	10	653,333	778,859
School based income		345,943	302,023
Centre based income		52,725	44,491
Training income		55,668	37,380
Interest income		21,108	60,129
Miscellaneous income		822	1,160
		<u>6,960,336</u>	<u>6,931,827</u>
Less: EXPENDITURE			
Expenditure on manpower	11	(5,703,630)	(4,918,630)
Depreciation on Renovation/Equipment/Intangible assets		(231,244)	(195,888)
Other operating expenses		(713,454)	(603,787)
		<u>(6,648,329)</u>	<u>(5,718,305)</u>
SURPLUS/ (DEFICIT) AND TOTAL COMPREHENSIVE			
INCOME FOR THE YEAR	12	<u><u>312,007</u></u>	<u><u>1,213,522</u></u>

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 March 2022

	Unrestricted Funds	Restricted Funds				Total \$
	General reserves \$	Funding from Government and other funders \$	The Daisy Phay Foundation - SHINE Scholarship Fund \$	Y's Men's Club (Beta Chapter) Financial Assistance Fund \$	Asset Enhancement Fund \$	
Balance at 31 March 2020	6,673,427	1,846,533	5,515,218	38,774	19,028	14,092,978
Total comprehensive income for the year	(59,292)	1,282,934	(47,867)	-	37,747	1,213,522
Balance at 31 March 2021	6,614,135	3,129,466	5,467,351	38,774	56,775	15,306,500
Transfer between funds	189,255	(189,255)	-	-	-	-
Total comprehensive income for the year	710,163	(298,534)	(99,722)	-	101	312,007
Balance at 31 March 2022	7,513,552	2,641,678	5,367,628	38,774	56,876	15,618,507

The transfer between funds is a reclassification of a programme, SYNC, that is not required to be classified under restricted fund as SHINE funds the programme mainly through fees and some donations.

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2022

	2022	2021
	\$	\$
Cash flows from operating activities		
Surplus for the year	312,007	1,213,522
Adjustments for:		
Depreciation on Renovation/Equipment/Intangible assets	231,244	195,888
Interest income	(21,108)	(60,129)
Loss on sale of equipment	353	-
Operating surplus before working capital changes	522,496	1,349,281
Changes in:		
- trade and other receivables	(276,582)	(43,562)
- prepayments	(8,813)	(70,486)
- deferred income	241,857	(67,770)
- trade and other payables	78,670	588,253
Cash generated from operations	557,629	1,755,716
Tax paid	-	-
Net cash from operating activities	557,629	1,755,716
Cash flows from investing activities		
Interest received	21,633	92,084
Proceeds from sale of equipment	1,114	-
Proceeds from redemption of investment	-	1,001,431
Acquisition of Intangible Asset	(127,385)	
Acquisition of Renovation/Equipment	(225,816)	(55,212)
Net cash (used in)/ from investing activities	(330,454)	1,038,303
Net increase in cash and cash equivalents	227,176	2,794,019
Cash and cash equivalents at 1 April 2021/1 April 2020	16,042,216	13,248,197
Cash and cash equivalents at 31 March	16,269,392	16,042,216
Cash and Cash Equivalents comprise of the followings:		
Cash and Bank balances	4,630,080	4,398,770
Fixed deposits	11,639,312	11,643,446
	16,269,392	16,042,216

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

1. Domicile and activities

SHINE Children and Youth Services (the Charity) is a Society registered under the Societies Act, Chapter 311 and a Charity registered under the Charities Act, Cap. 37. The Charity is a member of the National Council of Social Service and a recipient of grant funding administered by NCSS (e.g. Community Chest, Tote Board Social Service Fund) and the Ministry of Social and Family Development. The address of the Charity's registered office is 463 Hougang Ave 10 #01-964 Singapore 530463.

The Charity is an Institution of a Public Character (IPC) under the sector administrator, Ministry of Social and Family Development, and the status is valid from 1 October 2019 to 31 March 2023.

The Charity has complied with all applicable requirements of the Code of Governance for Charities and Institutions of a Public Character (IPCs) issued by the Charity Council on 19 January 2011. The Governance Evaluation checklist can be obtained from the Charity Portal (www.charities.gov.sg).

The Charity is involved in the rendering of social work and educational psychology services to children, youth and their families. The services are delivered by trained professionals comprising registered social workers, social work associates, educational psychologists, associate psychologists and learning specialists to enable children and youth to maximise their potential.

The Coronavirus Disease (COVID-19) outbreak and the measures taken to contain the spread of the pandemic have impacted the Charity's operations and on its financial results subsequent to the financial year end. As the situation continues to evolve with some level of uncertainty, the Charity is unable to reasonably estimate the full operational and financial impact of the COVID-19 outbreak. The Charity is monitoring the situation closely and to mitigate the impacts, it is conscientiously managing its operation structure and cost.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Charity have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S\$), which is the Charity's functional currency. All financial information presented in Singapore Dollars, unless otherwise indicated.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Charity has adopted all the new and amended standards which are relevant to the Charity and are effective for annual financial periods beginning on or after 1 April 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Charity.

2.3. New accounting standards and Interpretations not yet adopted

At the date of authorisation of the financial statements, the following FRSs and amendments to FRSs relevant to the Charity were issued but not effective:

<i>Description</i>	<i>Effective for annual period beginning on or after</i>
Amendments to FRS 16 Property, Plant and Equipment: Proceeds before Intended Use	1 January 2022
Amendments to FRS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRSs 2018-2020	
Amendments to FRS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023

The directors expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application.

2.4 Renovation and equipment and depreciation

Renovation and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on the straight-line method so as to write off the cost of fixed assets over their expected useful lives as follows:-

Renovation	5 years
Furniture, fittings & equipment	3-5 years

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of renovation and equipment, the difference between the disposal proceeds and its carrying amount is recognised in statement of comprehensive income under other operating expenses.

2.5 Intangible assets

Computer software

Computer software is stated at cost less accumulated amortization and impairment losses, if any. Computer software is amortised over five years. The amortization period and method are reviewed at each balance date.

2.6 Impairment of non-financial assets

The Charity assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Charity makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses are recognised in the profit and loss account. At each reporting date, the Charity assesses for possible reversal of impairment to non-financial assets. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

2.7 Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments. At initial recognition, the Charity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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

Subsequent measurement

Investments in debt instruments

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

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

Derecognition

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

2.8 Financial liabilities

Trade and other payables are financial liabilities, which are normally settled on 30 – 90 day terms. Financial liabilities are recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

2.9 Impairment of financial assets

For trade debtors, the Charity applies a simplified approach in calculating ECLs. The Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity may consider a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits.

2.11 Leases

As a Lessee

At inception of a contract, the Charity assesses whether a contract is, or contains, a lease. To assess whether a contract conveys the right to control the use of an identified asset, the Charity uses the definition of a lease in FRS 116. At commencement or on modification of a contract that contains a lease component, the Charity recognises a right-of-use asset and a lease liability. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Charity by the end of the lease term or the cost of the right-of-use asset reflects that the Charity will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Charity's incremental borrowing rate. Generally, the Charity uses its incremental borrowing rate as the discount rate.

The Charity determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased. Lease payments included in the measurement of the lease liability comprise fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Charity's estimate of the amount expected to be payable under a residual value guarantee, if the Charity changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The Charity presents right-of-use assets that do not meet the definition of investment property in 'property, plant and equipment' and lease liabilities in 'loans and borrowings' in the statement of financial position.

The Charity leases premises to perform their services. The Charity previously classified these leases as operating based on its assessment of whether the lease has transferred significantly all of the risks and rewards incidental to the ownership of the underlying asset, to the Charity. Under FRS 116, the Charity has reviewed all such contracts and based on the definition of FRS116, has assessed that there is no lease contained therein. As such, there is no right-of-use assets and lease liabilities recognized for the financial year ended 31 March 2022.

For short-term leases and leases of low-value assets, including office equipment, the Charity has elected not to recognise right-of-use assets and lease liabilities. The Charity recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

2.12 Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13 Income recognition

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

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

Donations are recognised when the Charity's entitlement to such income is established with certainty and the amount can be measured with sufficient reliability. Donations and grants from funders for designated programmes are recognized under the restricted programmes reserves in the Financial Statements. Cash contributions for capital expenditure are subsequently allocated to Asset Enhancement Fund.

Interest income from bank deposits and bonds is accrued on a time proportion basis with reference to the principal outstanding and at the rate applicable on an effective yield method.

2.14 Government grants & subsidies

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

2.15 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in the statement of comprehensive income in the years during which related services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are expensed as the related service is provided.

2.16 Taxation

As the Charity is registered as a Charity under the Charities Act, Cap. 37, its income is exempt from income tax.

3. **Critical accounting estimates, assumptions and judgments**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the application of policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future period affected.

3.1 **Critical judgements made in applying the entity's accounting policies**

Management is of the opinion that there is no critical judgement that has a significant effect on the amounts recognized in the financial statements.

3.2 **Key sources of estimation uncertainty**

Depreciation of property, plant and equipment

The cost of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 5 years. The carrying amount of the Charity's property, plant and equipment at 31 March 2022 was S\$615,584 (2021: S\$603,369). Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

4. **Renovation and Equipment**

	Renovation	Furniture fittings And equipment	Total
Cost	\$	\$	\$
As at 31 March 2020	1,019,197	440,834	1,460,031
Additions	-	55,212	55,212
As at 31 March 2021	1,091,197	496,046	1,515,243
Additions	161,407	64,409	225,816
Disposal	-	(5,760)	(5,760)
As at 31 March 2022	1,180,604	554,695	1,735,299
Accumulated Depreciation			
As at 31 March 2020	546,595	169,391	715,986
Charge for the year	100,639	95,249	195,888
As at 31 March 2021	647,234	264,640	911,874
Charge for the year	100,628	111,506	212,134
Disposal	-	(4,293)	(4,293)
As at 31 March 2022	747,862	371,853	1,119,715
Net Carrying Amount			
As at 31 March 2022	432,742	182,842	615,584
As at 31 March 2021	371,963	231,406	603,369

5. Intangible assets

	Software
Cost	\$
As at 31 March 2021	-
Additions	127,385
Disposal	-
As at 31 March 2022	<u>127,385</u>
Accumulated Depreciation	
As at 31 March 2021	-
Charge for the year	19,110
Disposal	-
As at 31 March 2022	<u>19,110</u>
Net Carrying Amount	
As at 31 March 2022	<u>108,275</u>
As at 31 March 2021	<u>-</u>

6. Trade and other receivables

	2022	2021
	\$	\$
Trade debtors	10,965	-
Amount due from government bodies and other grantors	541,448	275,211
Sundry deposits	9,125	9,745
Bank interest receivable	4,561	5,087
	<u>566,099</u>	<u>290,043</u>

7. Cash and cash equivalents

	2022	2021
	\$	\$
Cash at bank and on hand	4,630,080	4,398,770
Fixed deposits*	11,639,312	11,643,446
	<u>16,269,392</u>	<u>16,042,216</u>

* Fixed deposits are placed on 3 months to 1 year term and earn interest rates ranging from 0.12% to 0.3% (2021: 0.3% to 1.5%) per annum.

8. Funds and reserves

Reserves Policy

The purpose of reserves is to ensure financial sustainability to meet the Charity's objectives. The Charity adopts a policy to maintain its Unrestricted Fund reserves at not more than two times of its annual expenditure.

The reserves of the Charity comprise the following:

Unrestricted Funds

General reserves

Purpose

This amount comprises accumulated surplus of SHINE arising from activities that do not receive restricted funding / grants / donations. These activities include educational psychology service, school social work, training and consultancy, and research services.

Restricted Funds

Restricted funds from
Government and other funders

Purpose

This amount comprises:

- i. Accumulated surplus from programmes partially funded by NCSS administered funds (eg. Community Chest Funds, Tote Board Social Service Funds (TBSSF) in which ringfencing is part of the funding requirement
- ii. Accumulated surplus from programmes receiving other government grants in which ringfencing is part of the funding requirement
- iii. Accounted within this fund are the net results of, TSP, ISP, Youth COP, , Collective Impact @Spooner Road, Learning & Social Support Programme, Community Based Reading Odyssey, Integrated Care Programme, , Crest Youth Organisation Development Project , and Pandemic related funding.

The Daisy Phay Foundation
- SHINE Scholarship Fund

This is an endowment fund created by the generous donation of \$5million by the Estate of Dr Phay Seng Whatt. The donation is invested in quoted bonds and fixed deposits and is kept intact at all times. Only the income generated from the investment of this fund is to be distributed on an annual basis for the benefit of full-time students, who are good, needy, deserving and studying in junior colleges.

Y's Men's Club (Beta Chapter)
Financial Assistance Fund

This is a fund restricted to be utilised only for financial assistance for needy students and their families. The Y's Men's Club (Beta Chapter) Board of Directors confirmed via email on 5 April 2013 that it had no objection to SHINE's proposal to continue using the Y's Men's Club (Beta Chapter) Scholarship Fund to provide financial assistance to needy students and their families. It also agreed to rename the Fund as "Y's Men's Club (Beta Chapter) Financial Assistance Fund".

Asset Enhancement Fund

This is a fund restricted to be utilised for capital expenditure including cost of building development, renovation works, furniture & equipment etc.

9. Liabilities

	2022	2021
	\$	\$
Advances held for designated services	245,000	245,000
Deferred Income	485,560	243,703
Central Provident Fund Payable	206,559	165,870
Payables and Accruals for Operating Expenses	173,470	173,003
Funds received in advance and others	924,573	887,058
	<u>2,035,162</u>	<u>1,714,634</u>

9.1 Advances held for designated services

Milk Fund (Mainly I Love Kids) disbursed \$250,000 to the Charity in December 2014 with the intention of obtaining dollar-for-dollar matching grant under the Care and Share Movement. The funding was re-designated as MILK Education Fund in February 2016 to be used solely for the award of MILK Scholarship until 1 January 2022 to Singapore Citizens under the age of 25 who cannot afford to finance their tertiary education in local government tertiary institutions. Milk Fund has since extended the usage of the fund to 31 December 2024.

9.2 Deferred Income

A grant of \$333,840 was disbursed by Tote Board during FY2020 to support the renovation of SHINE's Hougang Centre. Upon the final care and share matching grant disbursement in March 2022, the approved amount to support SHINE's Hougang Centre renovation and IT infrastructure has been classified as deferred income. During the year, SHINE has also implemented an ERP application that is partially funded under the TBNTI grant. In accordance with FRS20, grants related to the capital expenditure are recognised in profit or loss over the periods and in the proportions in which depreciation expense on the assets is recognized. The balance amount is recorded as deferred income.

		2022	2021
<u>Capital Expenditure</u>	<u>Grant</u>	\$	\$
Renovation	Tote Board	175,933	243,703
	Care & share	144,021	-
IT Infrastructure	Care & share	68,159	-
<u>ERP Application</u>	Tote Board	97,447	-
<u>Total</u>		<u>485,560</u>	<u>243,703</u>

9.3 Funds received in advance and others

This consists mainly of grants and donations received in advance to fund programmes in the following financial years.

	2022	2021
	\$	\$
Projects- Back to Basics – technology subsidies	256,000	256,000
TBNTI - Organisation Development project	194,841	258,982
Charity Golf Event	97,279	-
Pandemic related expenditure	97,093	103,499
President challenge	75,000	59,250
Research grants	61,100	61,100
Reading Oddysey	38,400	50,694
Youth Alive	30,000	-
Sayang Sayang Fund	25,000	-
Volunteer Planning and Development	23,655	43,275
Book Prize and Education Awards	13,500	37,100
Innovation Initiative	12,345	12,345
ALPS Programme	360	-
HeyBelle	-	3,201
Sponsor Road and others	-	1,612
	<u>924,573</u>	<u>887,058</u>

10. Donations

Donations form a substantial source of income in sustaining the programmes which achieve the Charity's mission and vision. Not all programmes are funded fully by the government. Unrestricted donations help fund these partially funded or unfunded programmes and have also enabled the Charity to pilot new initiatives to serve client needs.

11. Expenditure on Manpower

	2022	2021
	\$	\$
Salaries and bonuses	4,853,697	4,166,939
Central Provident Fund (CPF) and Skills Development Levy (SDL)	793,250	704,239
Staff welfare/benefits	56,683	47,452
	<u>5,703,630</u>	<u>4,918,630</u>

Remuneration range of three highest paid staff:

Remuneration band*	2022	2021
Between \$200,000 to \$300,000	0	0
Between \$100,000 to \$200,000	3	3

* Salary and bonus (including employer's CPF contributions).

The Board members did not receive any remuneration during the year.

12. Surplus for the year*

Surplus for the year comprises the following:

	Unrestricted Funds	Restricted Funds				2,022	2,021
	General reserves	Funding from Government and other funders	The Daisy Play Foundation-SHINE Scholarship Fund	Y's Men's Club (Beta Chapter) Financial Assistance Fund	Asset Enhancement Fund		
	\$	\$	\$	\$	\$	\$	\$
<i>Income</i>							
Tote Board Social Service	-	1,682,421	-	-	84,969	1,767,390	1,546,904
Ministry of Social and Family Development	-	997,293	-	-	-	997,293	1,141,094
Community Chest/NCSS Funding	92,819	604,640	-	-	-	697,459	781,718
MCCY/BCF	400,000	15,801	-	-	-	415,801	-
AIC(MOH)	-	404,342	-	-	-	404,342	211,760
SG Enable	-	351,946	-	-	-	351,946	87,986
Matching Grants	268,561	0	-	-	-	268,561	-
Job Growth Incentive/Job Support Scheme	173,919	80,666	-	-	-	254,585	1,072,378
Care & Share	-210,771	60,487	-	-	258,670	108,385	-
Tax-deductible donations	556,417	8,556	-	-	-	564,973	865,945
Non-tax deductible donations	53,797	599,535	-	-	-	653,333	778,859
School based income	157,15 /	188,786	-	-	-	345,943	302,023
Centre based income	20,945	31,780	-	-	-	52,725	44,491
Training income	48,978	6,690	-	-	-	55,668	37,380
Interest income from investment	7,848	3,789	7,265	-	125	19,027	52,377
Interest income from bank	1,404	678	-	-	-	2,081	7,752
Singtel Sponsorship Scheme (STSS)	600	0	-	-	-	600	-
Membership Fee	210	0	-	-	-	210	-
Miscellaneous income	12	0	-	-	-	12	1,160
	1,571,896	5,037,410	7,265	0	343,764	6,960,336	6,931,827
<i>Expenditure</i>							
<i>Expenditure on Manpower</i>							
Salaries & bonuses	756,689	4,092,137	4,872	-	-	4,853,698	4,166,939
Employer's CPF and SDL	104,092	689,158	-	-	-	793,250	704,239
Staff welfare/benefits	7,406	49,277	-	-	-	56,683	47,451
	868,186	4,830,572	4,872	-	-	5,703,630	4,918,630
<i>Depreciation</i>	-131,731	19,665	-	-	343,310	231,244	195,888
<i>Other operating expenses</i>							
Staff training and development	6,651	39,146	-	-	-	45,796	74,628
Transport	1,990	15,515	-	-	-	17,504	1,143
Transport - client	-	1,047	-	-	-	1,047	13,848
Rental of office and equipment	6,353	46,301	-	-	-	52,654	48,862
Utilities	3,374	21,172	-	-	-	24,546	18,878
Communications	5,974	39,952	-	-	-	45,926	43,745
Maintenance - Land and building	1,638	20,538	-	-	-	22,175	29,667
Maintenance - IT and Equipment	6,863	76,565	-	-	-	83,429	32,956
Insurances	2,217	12,767	-	-	-	14,984	14,409
Fundraising expenses	44,374	-	-	-	-	44,374	21,500
Professional fees and services	21,543	132,198	-	-	-	153,742	75,907
Supplies/ materials/ logistics	23,296	74,007	-	-	-	97,303	139,870
Bank charges	151	769	116	-	-	1,035	777
Recruitment expenses	350	1,926	-	-	-	2,276	1,700
Public education	507	2,917	-	-	-	3,424	3,597
Financial assistance	-	886	-	-	-	886	14,675
Gain/(Loss) on Disposal of Fixed Assets	-	-	-	-	353	353	-
Scholarship and Bursary	-	-	102,000	-	-	102,000	67,000
Volunteer development	-	-	-	-	-	0	624
	125,279	485,706	102,116	-	353	713,454	603,787
Total Expenditure	861,734	5,335,944	106,988	-	343,663	6,648,329	5,718,305
Surplus/(deficit) and Total Comprehensive Income for the year	710,163	(298,534)	(99,722)	-	101	312,007	1,213,522

13. Related party transactions

Identity of related parties

For the purpose of these financial statements, parties are considered to be related to the Charity if the Charity has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Charity and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

In addition to the information disclosed elsewhere in the financial statements, the significant related party transactions during the financial year were as follows:

Key management personnel compensation

Key management personnel refer to persons having authority and responsibilities for planning, directing and controlling activities of the entity, including directors and key officers of the Charity. The Board members did not receive any remuneration during the year.

The Charity's key management personnel remuneration for the year ended 31 March 2022 was as follows:

	2022	2021
	S\$	S\$
Short term employment remuneration	528,287	549,934

Remuneration includes salary, bonuses and employer's CPF contributions.

14. Financial and capital risk management

14.1 Financial risk management objectives and policies

The main risks arising from the management of the Charity are market risk (interest rate risk and market prices risks), credit risk and liquidity risk. The Charity has implemented risk management policies and guidelines which set out its tolerance of risk and its general risk management philosophy. In connection with this, the Charity has established a framework and process to monitor the exposures so as to ensure appropriate measures can be implemented in a timely and effective manner.

Credit risk

The Charity has no significant credit risk as they are mainly receivables from government agencies/statutory board and credit worthy financial institutions. Procedures are in place to ensure on-going credit evaluation and active account monitoring.

Liquidity risk

Liquidity risk is the risk that the Charity will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The table below summarises the maturity profile of the Charity's financial liabilities based on undiscounted repayment obligations.

Non-derivative financial liabilities	Carrying amount	Contractual cash flows	1 year or less	More than 1 year
Liabilities	S	S	S	S
2022	1,549,601	1,549,601	1,304,601	245,000
2021	1,470,931	1,470,931	1,470,931	-

Interest rate risk

The Charity's exposure to interest rate risk relates primarily to the investment in bank deposits placed with reputable financial institutions. As the interest rates move within a narrow range and the fluctuations are not expected to have a material effect on the financial statements, no sensitivity analysis for interest rate movement is deemed necessary by the Charity.

14.2 Fair values

The carrying amounts of cash and cash equivalents, receivables and sundry creditors approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

15. Authorisation of financial statements

The financial statements of the Charity were authorized for issue in accordance with a resolution of the Board on date of the Directors' Statement.