

SHINE CHILDREN AND YOUTH SERVICES
(UEN NO.S76SS0021F)

Audited Financial Statements

31 March 2023


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

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 2023 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,



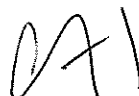
WAN CHEE FOONG
Chairman



ONG CHEE SIONG
Hon. Secretary



GEOFFREY TEO
Hon. Treasurer



LEE SENG MENG
Executive Director

Singapore
Date:

26 JUN 2023

Independent Auditors' Report

To the Members of SHINE CHILDREN AND YOUTH SERVICES

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 2023, 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 1966, the Charities Act 1994 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 2023 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.

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.

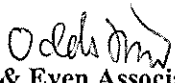
Report on Other Legal and Regulatory Requirements

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

26 JUN 2023

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF FINANCIAL POSITION AS AT 31 March 2023

	Notes	2023 \$	2022 \$
Assets			
Non-current assets			
Renovation and equipment	4	820,087	615,584
Intangible assets	5	248,568	108,275
		<u>1,068,655</u>	<u>723,859</u>
Current assets			
Trade and other receivables	6	573,345	566,099
Prepayments		83,785	94,319
Cash and cash equivalents	7	16,041,096	16,269,392
		<u>16,698,226</u>	<u>16,929,810</u>
Total assets		<u>17,766,881</u>	<u>17,653,669</u>
Funds and Reserves			
Unrestricted Funds:			
General reserves		8,184,068	7,513,552
Restricted Funds:			
Restricted funds from Government and other funders		1,953,700	2,641,678
The Daisy Phay Foundation-SHINE Scholarship Fund		5,374,558	5,367,628
Y's Men's Club (Beta Chapter) Financial Assistance Fund		38,635	38,774
Asset Enhancement Fund		57,263	56,876
	8	<u>15,608,224</u>	<u>15,618,507</u>
Liabilities			
Non-current liabilities			
Funds received in advance		143,747	245,000
Deferred income - capex grant		271,511	275,000
		<u>415,258</u>	<u>520,000</u>
Current liabilities			
Trade and other payables		1,542,347	1,304,601
Deferred income - capex grant		201,052	210,560
		<u>1,743,399</u>	<u>1,515,162</u>
Total liabilities	9	<u>2,158,657</u>	<u>2,035,162</u>
Total funds and liabilities		<u>17,766,881</u>	<u>17,653,669</u>

**SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 March 2023**

	Notes	2023 \$	2022 \$
INCOME			
NCSS - Tote Board Social Service Fund		1,767,818	1,464,461
NCSS - Community Chest		807,736	677,758
NCSS - Others		150,489	19,701
Ministry of Social and Family Development		1,182,246	997,293
AIC(MOH)		455,615	404,342
SG Enable		353,544	351,946
Matching Grants		317,017	268,561
Care & Share		161,194	108,385
MCCY/BCF		92,563	415,801
Tote Board		218	302,930
Job Growth Incentive/Job Support Scheme		98,632	254,585
Tax-deductible donations	10	641,295	564,973
Non-tax deductible donations	10	735,835	653,333
Programme Fees		505,839	398,668
Training income		66,877	55,668
Interest income		218,153	21,108
Miscellaneous income		450	822
		<u>7,555,521</u>	<u>6,960,336</u>
Less: EXPENDITURE			
Expenditure on manpower	11	(6,259,704)	(5,703,630)
Depreciation on Renovation/Equipment/Intangible assets		(298,067)	(231,244)
Other operating expenses		<u>(1,008,033)</u>	<u>(713,454)</u>
		<u>(7,565,804)</u>	<u>(6,648,329)</u>
(DEFICIT)/ SURPLUS AND TOTAL COMPREHENSIVE			
INCOME FOR THE YEAR	12	<u>(10,283)</u>	<u>312,007</u>
<i>(Deficit)/ Surplus allocated to:</i>			
General Reserves		670,517	710,163
Restricted funds from Government and other funders		(687,977)	(298,534)
Daisy Phay Foundation- SHINE Scholarship Fund		6,929	(99,722)
Y's Men's Club (Beta Chapter) financial assistance fund		(139)	-
Asset Enhancement Fund		387	101
		<u>(10,283)</u>	<u>312,007</u>

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF CHANGES IN ACCUMULATED FUNDS
FOR THE YEAR ENDED 31 March 2023

	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 2021	6,614,135	3,129,466	5,467,351	38,774	56,775	15,306,501
Total comprehensive income for the year	899,417	(487,789)	(99,722)	-	100.65	312,007
Balance at 31 March 2022	7,513,551	2,641,677	5,367,629	38,774	56,876	15,618,507
Transfer between funds Total comprehensive income for the year	670,517	(687,977)	6,929	(139)	387	(10,283)
Balance at 31 March 2023	8,184,068	1,953,700	5,374,558	38,635	57,263	15,608,224

SHINE CHILDREN AND YOUTH SERVICES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 March 2023

	2023	2022
	\$	\$
<hr/>		
Cash flows from operating activities		
(Deficit)/ Surplus for the year	(10,283)	312,007
Adjustments for:		
Depreciation on Renovation/Equipment/Intangible assets	298,067	231,244
Interest income	(218,153)	(21,108)
Loss on sale of equipment	212	353
Operating surplus before working capital changes	69,843	522,496
Changes in:		
- trade and other receivables	115,383	(276,582)
- prepayments	10,534	(8,813)
- deferred income	(12,997)	241,857
- trade and other payables	136,493	78,670
Cash generated from operations	319,255	557,629
Tax paid	-	-
Net cash from operating activities	319,255	557,629
Cash flows from investing activities		
Interest received	95,524	21,633
Proceeds from sale of equipment	102	1,114
Proceeds from redemption of investment	-	-
Acquisition of Intangible Asset	(191,325)	(127,385)
Acquisition of Renovation/Equipment	(451,852)	(225,816)
Net cash used in investing activities	(547,551)	(330,454)
Net (decrease)/ increase in cash and cash equivalents	(228,296)	227,176
Cash and cash equivalents at 1 April 2022/1 April 2021	16,269,392	16,042,216
Cash and cash equivalents at 31 March	16,041,096	16,269,392

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 1966 and is a Charity registered under the Charities Act 1994. 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), Ministry of Social and Family Development and Agency for Integrated Care. The registered address of the Charity is at 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. At the date of issuance of this audited financial statements, the Charity has been granted the renewal of IPC status from 1 April 2023 to 31 July 2026.

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 Charity is also involved in providing training and consultancy services to external professionals in the related field.

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 2022. 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 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 116 Leases: Lease Liability in a Sale and Leaseback	1 January 2024

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 2023.

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. Cash contributions for capital expenditure relating to a specific programme will be ringfenced under the restricted programme reserves.

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 1994, 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 and intangible asset

The cost of property, plant and equipment, and intangible asset are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment and intangible asset to be within 3 to 5 years. The carrying amount of the Charity's property, plant and equipment at 31 March 2023 was S\$820,087 (2022: S\$615,584). The carrying amount of the Charity's intangible asset at 31 March 2023 was S\$248,568 (2022: S\$108,275). 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

Cost	Furniture fittings		Total
	Renovation	And equipment	
	\$	\$	\$
As at 31 March 2021	1,019,197	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
Additions	305,455	146,397	451,852
Disposal	-	(59,516)	(59,516)
As at 31 March 2023	1,486,059	641,576	2,127,635
Accumulated Depreciation			
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
Charge for the year	147,496	99,539	247,035
Disposal	0.00	(59,202)	(59,202)
As at 31 March 2023	895,358	412,190	1,307,548
Net Carrying Amount			
As at 31 March 2023	590,701	229,386	820,087
As at 31 March 2022	432,742	182,842	615,584

5. Intangible assets

Cost	Software
	\$
As at 31 March 2022	127,385
Additions	191,325
As at 31 March 2023	318,710
Accumulated Depreciation	
As at 31 March 2022	19,110
Charge for the year	51,032
As at 31 March 2023	70,142
Net Carrying Amount	
As at 31 March 2023	248,568
As at 31 March 2022	108,275

6. Trade and other receivables

	2023	2022
	\$	\$
Trade debtors	47,541	10,965
Amount due from government bodies and other grantors	388,639	541,448
Sundry deposits	9,975	9,125
Bank interest receivable	127,190	4,561
	573,345	566,099

7. Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank and on hand	4,391,096	4,630,080
Fixed deposits*	11,650,000	11,639,312
	16,041,096	16,269,392

* Fixed deposits are placed on 3 months to 1 year term and earn interest at rates ranging from 0.10% to 4.03% (2022: 0.12% to 0.3%) 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 General 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. This is and will be used to fund programmes and organization support costs in accordance with the objectives of the Charity.

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, Collective Impact @Bukit Merah, Family Coach, Learning & Social Support Programme, Community Based Reading Odyssey, Integrated Care Programme, Crest Youth, Technology subsidies and grants from NCSS administered funds, and Pandemic related funding.

The Daisy Phay Foundation
- SHINE Scholarship Fund

This is an endowment fund created by the 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 for the overall enhancement of the Charity's infrastructure, including cost of building development, renovation works, furniture & equipment etc.

9. Liabilities

	2023	2022
	\$	\$
Advances held for designated services	143,747	245,000
Deferred Income - capex grant	472,563	485,560
Central Provident Fund Payable	225,023	206,559
Payables and Accruals for Operating Expenses	284,293	173,470
Funds received in advance and others	1,033,031	924,573
	<u>2,158,657</u>	<u>2,035,162</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 – capex grant

The Charity has received grants to co-fund various capital expenditure items.

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.

<u>Capital Expenditure</u>	<u>Grant</u>	<u>Category of Fund</u>	<u>2023</u>	<u>1-yr</u>	<u>>1 yr</u>	<u>2022</u>
Renovation	Tote Board	AEF	108,163	67,770	40,393	175,933
	Care & Share	AEF	91,291	52,726	38,565	144,021
IT Infrastructure	Care & Share	AEF	19,678	14,994	4,684	68,159
ERP Application	Tote Board	AEF	74,519	22,928	51,591	97,447
Biotemp devices	NCSS-Tech&Go!	AEF	16,656	4,995	11,661	
Learning Management System	NCSS-Tech&Go!	AEF	10,200	2,227	7,973	
MYLOH - Mental Wellness related application	NCSS-Back-to-Basics	Restricted Programme	92,724	23,176	69,548	
Training Network Model 2.0	Care & Share	Restricted Programme	59,332	12,236	47,096	
Total			<u>472,563</u>	<u>201,052</u>	<u>271,511</u>	485,560

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 year.

	2023	2022
	\$	\$
President challenge grant to support Yishun Renovation, in progress	250,000	75,000
TBNTI - Organisation Development project in progress	132,157	194,841
Technology subsidies for Back to Basic Projects	128,000	256,000
Youth Corps Developmental Team Programme advance	119,920	-
Donation & grant for Pandemic related expenditure	96,875	97,093
Grants for Research in progress	78,600	61,100
Grant for Vendor-Donor Management System implementation in progress	77,495	-
Grant and donation for Just Fur Fun programme for new financial year	47,500	-
Reading Odyssey grant for new financial year	35,500	38,400
Grant for TNM 2.0 set up	28,819	-
Book Prize and Education Awards	14,000	13,500
Innovation initiative grant	12,345	12,345
Grant for Internship, to be paid after balance sheet date	8,060	-
Grant from Tech & Go! for Learning Management System licenses	3,760	-
Charity Golf Event	-	97,279
Grant for Youth Alive programme	-	30,000
Grant from Sayang Sayang Fund	-	25,000
Grant to support Volunteer Planning and Development	-	23,655
ALPS Programme fees received in advance	-	360
	1,033,031	924,573

10. Donations

Donations form a substantial source of income in sustaining the programmes to 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. These are used in accordance with the objectives of the Charity.

11. Expenditure on Manpower

	2023	2022
	\$	\$
Salaries and bonuses	5,337,554	4,853,697
Central Provident Fund (CPF) and Skills Development Levy (SDL)	852,802	793,250
Staff welfare/benefits	69,348	56,683
	6,259,704	5,703,630

Remuneration range of three highest paid staff:

Remuneration band*	2023	2022
Between \$200,000 to \$300,000	-	-
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. Deficit for the year*

Deficit for the year comprises the following:

	Unrestricted Funds		<-----Restricted Funds----->			2023	2022
	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		
	\$	\$	\$	\$	\$	\$	\$
Income							
NCSS - Tote Board Social Service Fund	-	1,677,120	-	-	90,698	1,767,818	1,464,461
NCSS - Community Chest	-	807,736	-	-	-	807,736	677,758
NCSS - Others	78,645	70,916	-	-	928	150,489	19,701
Ministry of Social and Family Development	-	1,182,246	-	-	-	1,182,246	997,293
AIC(MOH)	-	455,615	-	-	-	455,615	404,342
SG Enable	-	353,544	-	-	-	353,544	351,946
Matching Grants	317,017	-	-	-	-	317,017	268,561
Care & Share	11,849	48,134	-	-	101,211	161,194	108,385
MCCY/BCF	952	91,611	-	-	-	92,563	415,801
Tote Board	-	218	-	-	-	218	302,930
Job Growth Incentive/Job Support Scheme	98,632	-	-	-	-	98,632	254,585
Tax-deductible donations	629,295	12,000	-	-	-	641,295	564,973
Non-tax deductible donations	97,612	638,223	-	-	-	735,835	653,333
Programme Fees	276,045	229,794	-	-	-	505,839	398,668
Training income	59,467	7,410	-	-	-	66,877	55,668
Interest income	85,793	34,682	96,633	425	620	218,153	21,108
Singtel Sponsorship Scheme (STSS)	-	-	-	-	-	-	600
Miscellaneous income	450	-	-	-	-	450	222
	1,655,757	5,609,249	96,633	425	193,457	7,555,521	6,960,336
Expenditure							
Expenditure on Manpower							
Salaries & bonuses	723,517	4,609,109	4,928	-	-	5,337,554	4,853,697
Employer's CPF and SDL	97,290	755,512	-	-	-	852,802	793,250
Staff welfare/benefits	9,710	59,638	-	-	-	69,348	56,683
	830,517.00	5,424,259.00	4,928.00	-	-	6,259,704	5,703,630
Depreciation	10,176	94,821	-	-	193,070	298,067	231,244
Other operating expenses							
Staff training and development	11,357	90,130	-	-	-	101,487	45,796
Transport	4,037	34,044	-	-	-	38,081	17,504
Transport - client	640	6,763	-	-	-	7,403	1,047
Rental of office and equipment	6,733	56,090	-	-	-	62,823	52,654
Utilities	3,461	25,386	-	-	-	28,847	24,546
Communications	7,839	46,798	7	-	-	54,644	45,926
Maintenance - Land and building	3,119	25,529	-	-	-	28,648	22,175
Maintenance - IT and Equipment	4,318	143,233	-	-	-	147,551	83,429
Insurances	2,550	15,368	-	-	-	17,918	14,984
Fundraising expenses	57,197	-	-	-	-	57,197	44,374
Professional fees and services	10,789	201,410	-	-	-	212,199	153,742
Supplies/ materials/ logistics	31,490	126,758	712	-	-	158,960	97,303
Bank charges	167	858	57	-	-	1,082	1,035
Recruitment expenses	139	1,355	-	-	-	1,494	2,276
Public education	553	3,370	-	-	-	3,923	3,424
Financial assistance	100	554	-	564	-	1,218	886
Gain/(Loss) on Disposal of Fixed Assets	58	154	-	-	-	212	353
Scholarship and Bursary	-	-	84,000	-	-	84,000	102,000
Volunteer development	-	346	-	-	-	346	-
	144,547	778,146	84,776	564	-	1,008,033	713,454
Total Expenditure	985,240	6,297,226	89,704	564	193,070	7,565,804	6,648,328
Surplus/(deficit) and Total Comprehensive Income for the year	670,517	(687,977)	6,929	(139)	387	(10,283)	312,007

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 2023 was as follows:

	2023	2022
	S\$	S\$
Short term employment remuneration	676,773	528,287

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	\$	\$	\$	\$
2023	1,686,094	1,686,094	1,542,347	143,747
2022	1,549,601	1,549,601	1,304,601	245,000

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 the date of the Directors' Statement.