



CHENG HONG WELFARE SERVICE SOCIETY

(Registered under the Societies Act, Chapter 311)
(UEN No: T04SS0148G)

Statement by Management Committee and Financial Statements

Year Ended 31 December 2019

RSM Chio Lim LLP

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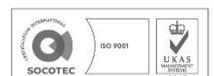
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CHENG HONG WELFARE SERVICE SOCIETY

Statement by Management Committee and Financial Statements

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CHENG HONG WELFARE SERVICE SOCIETY

Statement by Management Committee

The members of the Management Committee are pleased to present the financial statements of Cheng Hong Welfare Service Society (the "Society") for the reporting year ended 31 December 2019.

1. Opinion of the members

In the opinion of the Management Committee,

- a) the accompanying financial statements are drawn up in accordance with the Societies Act, Chapter 311 (the "Societies Act") and the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations"), and the Singapore Financial Reporting Standards ("SFRSs"), so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2019 and the results, changes in fund and cash flows of the Society for the reporting year ended on that date; and
- b) at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee approved and authorised these financial statements for issue.

2. Objectives and activities

The Society operates a medical centre and eight Traditional Chinese Medicine ("TCM") clinics island-wide providing pro bono traditional Chinese treatment and medication to the needy. It aims to help all people and relieve the poor, the disadvantaged, the needy, and distressed, without discrimination as to race, language or religion through engagement in charitable and social enterprises. These include the provision of free and subsidised medical treatment and medicine, institutional care, community-based care, free coffins and free burial services, befriending services, rehabilitation services, financial and other types of assistance, as well as the provision of all other charitable services and assistance, and the promotion of education. It also aims to foster friendship and cohesion in the community.

3. Members

The members of the Management Committee at the date of this statement are:

Mr. Lim Hang Chung	Chairman	Mr. Boo Chiong Hoi	Internal Auditor
Dr. Sim Mong Keang	Deputy Chairman	Mr. Goh Yi Jun	Internal Auditor
Mr. Ang Chin Koon	Vice Chairman		
Mr. Aiw Chye Seng	Vice Chairman	Mr. Seah Hiang Soon	Director
Mr. Khoo Hang Choong	Vice Chairman	Mr. Ng Bock Chwee	Director
Mr. Teo Chong Hock	Vice Chairman	Mr. Yeo Teck Cheow	Director
Mr. Tay Yeow CHuan	Vice Chairman	Mr. Tan Kia Lai	Director
Mr. Lim Seng Lye	Secretary	Mr. Tan Chiew Hiang	Director
Mr. Lim Eng Soon	Assistant Secretary	Mr. Lim Eng Whatt	Director
Mr. Lau Swee Siang	Assistant Secretary		
Mr. Chia Tian Weng	Treasurer	Mr. Chia Peh Choo	Committee Member
Mr. Neo Sing Hwee	Assistant Treasurer	Mr. Lim Peck Kee	Committee Member

CHENG HONG WELFARE SERVICE SOCIETY

3. Members (cont'd)

Mr. Tan See Peng	Committee Member
Mr. Seah Rong Feng	Committee Member
Ms. Kwa Cheng Hock	Committee Member
Mr. Chua Seng Ong	Committee Member
Mr. Ooi Poh Thiam	Committee Member

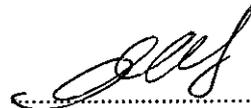
4. Independent auditor

RSM Chio Lim LLP has expressed willingness to accept re-appointment.

On behalf of the Management Committee,



.....
Lim Hang Chung
Chairman



.....
Chia Tian Weng
Honorary Treasurer

21 May 2020



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**Independent Auditor’s Report to the Members of
CHENG HONG WELFARE SERVICE SOCIETY**

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Cheng Hong Welfare Service Society (the “Society”), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and the Financial Reporting Standards in Singapore (“FRS”) so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2019 and the results, changes in funds and cash flows of the Society for the year ended on that date.

Basis for opinion

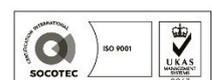
We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with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

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by management committee but does not include the financial statements and our auditor’s report thereon, which we obtained prior to the date of this auditor’s report. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available 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.



Independent Auditor's Report to the Members of CHENG HONG WELFARE SERVICE SOCIETY

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Other information (cont'd)

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the financial reporting standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

**Independent Auditor's Report to the Members of
CHENG HONG WELFARE SERVICE SOCIETY**

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Auditor's responsibilities for the audit of the financial statements (cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- 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 by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) The fund-raising appeals held during the reporting 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 Society has not used the donation moneys in accordance with its objectives as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Society has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

**Independent Auditor's Report to the Members of
CHENG HONG WELFARE SERVICE SOCIETY**

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The engagement partner on the audit resulting in this independent auditor's report is Ng Thiam Soon.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

21 May 2020

Effective from reporting year ended 31 December 2019

CHENG HONG WELFARE SERVICE SOCIETY

**Statement of Financial Activities
Year Ended 31 December 2019**

		----- Unrestricted -----			
	<u>Notes</u>	<u>General funds</u>	<u>Designated funds</u>	<u>2019</u>	<u>2018</u>
		\$	\$	\$	\$
Income resources					
Voluntary income	4	1,717,601	1,177,312	2,894,913	2,394,554
Fund generating activities	5	106,088	–	106,088	401,393
Interest income	6	69,694	–	69,694	29,674
Charitable income		–	–	–	58,667
Other income	7	151,679	133,095	284,774	487,832
Total income resources		2,045,062	1,310,407	3,355,469	3,372,120
Resources expended					
Cost of generating voluntary income:					
- Fund raising expenses		36,638	–	36,638	51,807
Cost of charitable activities:					
- External contributions		30,315	32,211	62,526	53,487
- Bursary and scholarship		27,300	–	27,300	23,400
Cost of funds generating activities:					
- Activity and program expenses	9	302,774	373,282	676,056	574,274
Administrative costs	10	360,098	811,986	1,172,084	1,184,019
Total resources expended		757,125	1,217,479	1,974,604	1,886,987
Surplus for the year		1,287,937	92,928	1,380,865	1,485,133
Surplus for the year		1,287,937	92,928	1,389,865	1,485,133
Fund balances at beginning of year		3,678,235	1,792,556	5,470,791	3,985,658
Transfer (from)/to funds		(453,111)	453,111	–	–
		4,513,061	2,338,596	6,851,656	5,470,791

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

CHENG HONG WELFARE SERVICE SOCIETY

**Statement of Financial Position
As at 31 December 2019**

	<u>Notes</u>	<u>2019</u> \$	<u>2018</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	12	302,458	361,305
Total non-current assets		<u>302,458</u>	<u>361,305</u>
<u>Current assets</u>			
Other receivables	13	5,548	33,005
Other assets	14	74,665	11,773
Cash and cash equivalents	15	6,644,376	5,267,461
Total current assets		<u>6,724,589</u>	<u>5,312,239</u>
Total assets		<u>7,027,047</u>	<u>5,673,544</u>
FUNDS AND LIABILITY			
<u>Unrestricted funds</u>			
General fund	16	4,513,061	3,678,235
Community healthcare fund	16	–	–
Eldercare services and welfare fund	16	1,940,573	1,365,755
Care and share grant reserve	16	398,022	426,801
Total unrestricted fund		<u>6,851,656</u>	<u>5,470,791</u>
Total funds		<u>6,851,656</u>	<u>5,470,791</u>
<u>Current liabilities</u>			
Trade and other payables	17	64,162	68,688
Other liabilities	18	111,229	134,065
Total current liabilities		<u>175,391</u>	<u>202,753</u>
Total liabilities		<u>175,391</u>	<u>202,753</u>
Total funds and liabilities		<u>7,027,047</u>	<u>5,673,544</u>

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

CHENG HONG WELFARE SERVICE SOCIETY

**Statement of Changes in Funds
Year Ended 31 December 2019**

	----- Designated funds -----				
	General fund	Community healthcare fund	Eldercare and services welfare fund	Care and share grant reserve	Total
	\$	\$	\$	\$	\$
Current year:					
Opening balance at 1 January 2019	3,678,235	–	1,365,755	426,801	5,470,791
Changes in funds:					
Surplus/(deficit) for the reporting year (note 16)	1,287,937	(453,111)	574,818	(28,779)	1,380,865
Transfer of funds	(453,111)	453,111	–	–	–
Closing balance at 31 December 2019	<u>4,513,061</u>	<u>–</u>	<u>1,940,573</u>	<u>398,022</u>	<u>6,851,656</u>
Previous year:					
Opening balance at 1 January 2018	2,875,790	–	660,165	449,703	3,985,658
Changes in funds:					
Surplus/(deficit) for the reporting year (note 16)	1,172,079	(369,634)	705,590	(22,902)	1,485,133
Transfer of funds	(369,634)	369,634	–	–	–
Closing balance at 31 December 2018	<u>3,678,235</u>	<u>–</u>	<u>1,365,755</u>	<u>426,801</u>	<u>5,470,791</u>

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

CHENG HONG WELFARE SERVICE SOCIETY

Statement of Cash Flows
Year Ended 31 December 2019

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Surplus for the year	1,380,865	1,485,133
Adjustments for:		
Interest income	(69,695)	(29,674)
Depreciation of plant and equipment	74,355	79,533
Loss on disposal of plant and equipment	–	368
Amortisation of deferred grant	(30,567)	(31,410)
Operating surplus before changes in working capital	<u>1,354,958</u>	<u>1,503,950</u>
Other receivables	27,457	(989)
Other assets	(62,892)	34,501
Other payables and accruals	(4,526)	7,674
Net cash flows from operating activities	<u>1,314,997</u>	<u>1,545,136</u>
<u>Cash flows from investing activities</u>		
Cash restricted in use	(21,104)	(2,384,277)
Receipts of government grants for capital expenditures	–	3,000
Purchase of plant and equipment	(15,508)	(9,788)
Interest received	77,426	48,062
Net cash flows from/(used) in investing activities	<u>40,814</u>	<u>(2,343,003)</u>
Net increase/(decrease) in cash and cash equivalents	1,355,811	(797,867)
Cash and cash equivalents, beginning balance	<u>1,308,160</u>	<u>2,106,027</u>
Cash and cash equivalents, ending balance (note 15)	<u><u>2,663,971</u></u>	<u><u>1,308,160</u></u>

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

CHENG HONG WELFARE SERVICE SOCIETY

Notes to the Financial Statements Year ended 31 December 2019

1. General

The Cheng Hong Welfare Service Society (the "Society") is a society registered in the Republic of Singapore under the Societies Act, Cap. 311. It was granted the status of an Institutions of a Public Character (IPC Registration No. IPC000053) under the Charities Act, Chapter 37 until 31 January 2023 subject to renewal. The financial statements are presented in Singapore dollars.

The Management Committee approved and authorised these financial statements for issue on the date of the Statement by Management Committee. The Management Committee have the power to amend and reissue the financial statements.

Cheng Hong Welfare Service Society operates a medical centre and eight Traditional Chinese Medicine ("TCM") clinics island-wide providing pro bono traditional Chinese treatment and medication to the needy. It aims to help all people and relieve the poor, the disadvantaged, the needy, and distressed, without discrimination as to race, language or religion through engagement in charitable and social enterprises. These include the provision of free and subsidised medical treatment and medicine, institutional care, community-based care, free coffins and free burial services, befriending services, rehabilitation services, financial and other types of assistance, as well as the provision of all other charitable services and assistance, and the promotion of education. It also aims to foster friendship and cohesion in the community.

The registered office is located at 12 Eunos Crescent #01-2767 Singapore 400012. The Society is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRS") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the Society to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, Society has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

CHENG HONG WELFARE SERVICE SOCIETY

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(i) Donations

Income from donations are accounted for when received, except for committed donations and that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations. Income from fund-raising event is recognised when the event has occurred.

(ii) Interest income

Interest income is recognised using the effective interest method.

(iii) Government grant

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

CHENG HONG WELFARE SERVICE SOCIETY

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Income tax

As an approved charity under the Charities Act, Cap. 37, the Society is exempted from income tax under Section 13(1)(zm) of the Income Tax Act, Cap 134.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The estimated useful lives are as follows:

	<u>Number of years</u>
Plant and equipment	3 to 5 years
Motor vehicles	10 years
Renovation	10 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-to-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). Short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard whereby the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term..

CHENG HONG WELFARE SERVICE SOCIETY

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount.

The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. 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 measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial instruments

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets

- (a) Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

CHENG HONG WELFARE SERVICE SOCIETY

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial assets (cont'd)

- (b) Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income ("FVTOCI"). There were no financial assets classified in this category at reporting year end date.
- (c) Financial asset that is an equity investment classified as measured at FVOCI. There were no financial assets classified in this category at reporting year end date.
- (d) Financial asset classified as measured at FVTPL. There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities

Financial liabilities are classified as at FVTPL in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value of measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset/liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

CHENG HONG WELFARE SERVICE SOCIETY

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Fair value of measurement (cont'd)

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Society are allocated subsequently to those funds. Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

CHENG HONG WELFARE SERVICE SOCIETY

3. Related party relationships and transactions (cont'd)

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

All members of the management committee and staff members of the Society are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in a conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

The members of the management committee are volunteers and receive no monetary remuneration for their contribution, except for reimbursement of out-of-pocket expenses, if any claimed.

There are no paid staff who are close members of the family of the management committee, and whose remuneration each exceeds \$50,000 during the year.

3A. Related party transaction

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Significant related party transactions

	Related parties	
	<u>2019</u>	<u>2018</u>
	\$	\$
Events expenses charged	9,917	10,179
Fitting costs charged	–	3,000
Printing expenses charged	26,163	12,635
Information technology and miscellaneous expenses	<u>1,776</u>	<u>15,785</u>

3B. Key management compensation

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and other short-term employee benefits	27,488	71,932
Number of key management personnel	<u>1</u>	<u>2</u>

The above amounts are included under employee benefits expense.

Key management personnel comprise the direct reporting senior members.

None of the top three highest paid staff receives more than \$100,000 in annual remuneration each.

CHENG HONG WELFARE SERVICE SOCIETY

4. Voluntary income

	<u>2019</u> \$	<u>2018</u> \$
Donation income	<u>2,894,913</u>	<u>2,394,554</u>

In accordance with the Charities (Institutions of a Public Character) Regulations, the Society is required to disclose fund-raising appeals with gross receipts of more than \$1 million.

There are no fund-raising appeal with gross receipt of more than \$1 million in 2019.

5. Fund generating activities

	<u>2019</u> \$	<u>2018</u> \$
Income from fund-raising activities	<u>106,088</u>	<u>401,393</u>

6. Interest income

	<u>2019</u> \$	<u>2018</u> \$
Interest income from bank	<u>69,694</u>	<u>29,674</u>

7. Other income

	<u>2019</u> \$	<u>2018</u> \$
Grant income	240,783	381,620
Wages credit scheme and employment credit	41,541	50,009
Others	<u>2,450</u>	<u>56,203</u>
Total	<u>284,774</u>	<u>487,832</u>

8. Tax exempt receipts

The Society enjoys a concessionary tax treatment whereby qualifying donors are granted tax deduction for the donations made to the funds of the Society. The quantum of the tax deduction for each calendar year may vary as announced in the Singapore Budget. The Institutions of a Public Character status granted to the Society for donations is for the period from 1 August 2018 to 31 January 2020.

	<u>2019</u> \$	<u>2018</u> \$
Tax-exempt receipts issued for donations collected	<u>2,556,344</u>	<u>2,338,244</u>

9. Activity and program expenses

	<u>2019</u> \$	<u>2018</u> \$
Event and roadshow expenses	304,035	261,613
Elderly program expenses	113,937	82,265
Funeral service expenses	83,888	57,012
Medical supplies	<u>174,197</u>	<u>173,384</u>
Total	<u>676,057</u>	<u>574,274</u>

CHENG HONG WELFARE SERVICE SOCIETY

10. Administrative costs

	<u>2019</u>	<u>2018</u>
	\$	\$
Included in administrative costs are following items:		
Assets expense off	2,194	6,847
Auditor's remuneration	11,984	12,091
Depreciation of plant and equipment	74,355	79,533
Membership and subscription	22,714	19,918
Employee benefits expense (note 11)	<u>916,464</u>	<u>940,294</u>

11. Employee benefits expense

	<u>2019</u>	<u>2018</u>
	\$	\$
Salaries and related costs	795,464	809,975
Contributions to defined contribution plan	109,668	109,853
Other benefits	11,332	20,466
Total (note 10)	<u>916,464</u>	<u>940,294</u>

12. Plant and equipment

	<u>Plant and equipment</u>	<u>Motor vehicles</u>	<u>Renovation</u>	<u>Total</u>
	\$	\$	\$	\$
<u>Cost</u>				
At 1 January 2018	245,489	241,750	324,986	812,225
Additions	9,788	–	–	9,788
Disposals	(1,163)	–	–	(1,163)
At 31 December 2018	<u>254,114</u>	<u>241,750</u>	<u>324,986</u>	<u>820,850</u>
Additions	15,508	–	–	15,508
Disposals	(5,885)	–	–	(5,885)
At 31 December 2019	<u>263,737</u>	<u>241,750</u>	<u>324,986</u>	<u>830,473</u>
<u>Accumulated depreciation</u>				
At 1 January 2018	133,678	27,556	219,573	380,807
Depreciation for the year	41,682	24,175	13,676	79,533
Disposals	(795)	–	–	(795)
At 31 December 2018	<u>174,565</u>	<u>51,731</u>	<u>233,249</u>	<u>459,545</u>
Depreciation for the year	36,505	24,175	13,675	74,355
Disposals	(5,885)	–	–	(5,885)
At 31 December 2019	<u>205,185</u>	<u>75,906</u>	<u>246,924</u>	<u>528,015</u>
<u>Net book value</u>				
At 1 January 2018	111,811	214,194	105,413	431,418
At 31 December 2018	<u>79,549</u>	<u>190,019</u>	<u>91,737</u>	<u>361,305</u>
At 31 December 2019	<u>58,552</u>	<u>165,844</u>	<u>78,062</u>	<u>302,458</u>

CHENG HONG WELFARE SERVICE SOCIETY

12. Plant and equipment (cont'd)

The depreciation expense is charged in Statement of Finance Activities under:

	<u>2019</u>	<u>2018</u>
	\$	\$
<u>Administrative costs</u>		
General fund	5,551	6,277
Designated funds	<u>68,804</u>	<u>73,256</u>
Total	<u>74,355</u>	<u>79,533</u>

13. Other receivables

	<u>2019</u>	<u>2018</u>
	\$	\$
Refundable deposits	1,250	850
Interest receivables	3,384	27,064
Grants receivables	<u>914</u>	<u>5,091</u>
Total	<u>5,548</u>	<u>33,005</u>

14. Other assets

	<u>2019</u>	<u>2018</u>
	\$	\$
Prepayments	<u>74,665</u>	<u>11,773</u>

15. Cash and cash equivalents

	<u>2019</u>	<u>2018</u>
	\$	\$
Cash and bank balances	2,663,971	1,308,160
Fixed deposits with financial institutions	<u>3,980,405</u>	<u>3,959,301</u>
Total	<u>6,644,376</u>	<u>5,267,461</u>
Interest earnings balances	<u>3,980,405</u>	<u>3,959,301</u>

The fixed deposits earn interest at rates ranging from 0.75% to 1.88% (2018: 0.75% to 1.88%) per annum. The maturity periods of the fixed deposits ranged from 8 to 12 months (2018: 8 to 12 months) from the end of the reporting year.

15A. Cash and cash equivalents in the statement of cash flows:

	<u>2019</u>	<u>2018</u>
	\$	\$
Amount as shown above	6,644,376	5,267,461
Cash restricted in use over 3 months	<u>(3,980,405)</u>	<u>(3,959,301)</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>2,663,971</u>	<u>1,308,160</u>

CHENG HONG WELFARE SERVICE SOCIETY

16. Fund account transactions and balances

	----- Unrestricted Funds -----				Sub-total
	General fund	Community healthcare fund	Eldercare services and welfare fund	Care and Share grant reserve	
	(a)	(b)	(c)		
	\$	\$	\$	\$	\$
Balance as at 1 January 2018	2,875,790	–	660,165	449,703	3,985,658
Voluntary income	1,238,506	278,496	877,552	–	2,394,554
Fund generating activities	401,393	–	–	–	401,393
Interest income	29,674	–	–	–	29,674
Charitable income	58,667	–	–	–	58,667
Other income	204,120	28,970	254,742	–	487,832
Total income	1,932,360	307,466	1,132,294	–	3,372,120
Cost of generating voluntary income – fund-raising	(51,807)	–	–	–	(51,807)
Cost of charitable activities	(52,947)	–	(1,038)	(22,902)	(76,887)
Cost of funds generating activities	(221,008)	(173,384)	(179,882)	–	(574,274)
Administrative costs	(434,519)	(503,716)	(245,784)	–	(1,184,019)
Transfer (from)/to funds	(369,634)	369,634	–	–	–
Balance as at 31 December 2018	3,678,235	–	1,365,755	426,801	5,470,791
Voluntary income	1,717,600	251,382	923,931	–	2,894,913
Fund generating activities	106,089	–	–	–	106,088
Interest income	69,694	–	–	–	69,694
Charitable income	–	–	–	–	–
Other income	151,679	18,413	114,681	–	284,774
Total income	2,045,062	269,795	1,040,612	–	3,355,469
Cost of generating voluntary income – fund-raising	(36,638)	–	–	–	(36,368)
Cost of charitable activities	(30,315)	–	(3,432)	–	(33,747)
Bursary and scholarship	(27,300)	–	–	–	(27,300)
Cost of fund generating activities	(302,774)	(174,197)	(199,085)	–	(676,056)
Administrative costs	(360,098)	(548,709)	(263,277)	–	(1,172,083)
Transfer (from)/to funds	(453,111)	453,111	–	(28,779)	(28,779)
Balance as at 31 December 2019	4,513,061	–	1,940,573	398,022	6,851,656

CHENG HONG WELFARE SERVICE SOCIETY

16. Fund account transactions and balances (cont'd)

- (a) Community healthcare fund serves the purpose to build a healthier community, make healthcare services accessible and affordable to the needy and disadvantaged, and to fund healthcare programmes that are catered to the community. The fund also funds the operations of the medical centres and traditional Chinese medicine ("TCM") clinics.
- (b) Eldercare services and welfare fund serves the purpose to support programmes that help elderly to live well, age gracefully and die with dignity, to fund afterlife memorial services for the needy elderly and to support a wellness centre and volunteer programmes to provide care and services to elderly who are registered with the programme.
- (c) The Care and Share grant was set up by the Singapore government in October 2013 to encourage firms and people to work with the organisations to help the needy. The government had pledged to make a one for one matching grant to the organisations for every dollar raised by the organisations.

The grant is to be used for the following purposes:

- (i) to fund programmes/activities that contribute to building the Society's capability;
- (ii) to fund programmes/activities that contribute to building the Society's capacity;
- (iii) to fund new programmes that aim to meet emerging or unmet needs of the social service sector and enhancements/expansions of the existing services that the Society provides; and
- (iv) to cover the costs of meeting the critical existing needs of the Society for up to 20% of the grant that the Society has applied for during the matching period.

17. Trade and other payables

	<u>2019</u>	<u>2018</u>
	\$	\$
Accrued liabilities	38,984	44,180
Other payables	<u>25,178</u>	<u>24,508</u>
Total	<u>64,162</u>	<u>68,688</u>

18. Other liabilities

	<u>2019</u>	<u>2018</u>
	\$	\$
Deferred grant	85,110	115,677
Interest received in advance	<u>26,119</u>	<u>18,388</u>
Total	<u>111,229</u>	<u>134,065</u>

The deferred grant relates to the grant from Singapore government under the care and share movement to encourage firms and people to help the needy. The government has pledged to make a one for one matching grant to the organisation for every dollar raised by the organisation.

The deferred grant relates to donations for capital items. Donations related to depreciable assets are recognised as income over the periods and in the proportions in which depreciation expense on those assets is recognised.

CHENG HONG WELFARE SERVICE SOCIETY

18. Other liabilities (cont'd)

Movements in deferred grant are as follows:

	<u>2019</u> \$	<u>2018</u> \$
Balance at beginning of the year	115,677	144,087
Utilised for capitalisation during the year	–	3,000
Amortised during the year	<u>(30,568)</u>	<u>(31,410)</u>
Balance at end of the year	<u>85,109</u>	<u>115,677</u>

19. Reserve policy

The primary objective of the Society's reserves management policy is to ensure that it maintains strong and healthy capital ratios in order to support its operations and potential initiatives. The reserve ratio stands at 3.52 (2018: 2.90) as at the end of reporting date.

The Society targets to maintain an optimum level of accumulated fund which is equivalent to at least one year of its operating expenditure. This excludes restricted funds. The Society regularly reviews and manages its reserves to ensure optimal capital structure, taking into consideration the future capital requirements of the Society and capital efficiency, projected income and operating cash flows.

The management committee regularly reviews the amount of reserves that are required to ensure that they are adequate to fulfil the Society's continuing obligations and to support its operations.

The Society is not subject to externally imposed capital requirements. There were no changes to the Society's approach to reserves management during the year.

20. Financial instruments: information on financial risks

20A. Categories of financial assets and liabilities

The following table categories the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	<u>2019</u> \$	<u>2018</u> \$
<u>Financial assets</u>		
Financial assets at amortised cost	<u>6,649,924</u>	<u>5,299,616</u>
<u>Financial liabilities</u>		
Financial liabilities at amortised cost	<u>64,162</u>	<u>68,688</u>

Further quantitative disclosures are included throughout these financial statements.

CHENG HONG WELFARE SERVICE SOCIETY

20. Financial instruments: information on financial risks (cont'd)

20B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The Society has undertaken certain practices for the management of financial risks based on acceptable market practice.

During the year, there have been no changes to the exposures to risks; the objectives, policies and processes for managing the risks and the methods used to measure the risks.

The Society maintains positions in a variety of financial instruments in accordance with its investment objectives and guidelines.

20C. Fair value of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

20D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings..

20E. Liquidity risk – financial liabilities maturity analysis

There are no non-current financial liabilities at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations.

The Society monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Management to finance the Society's operations and to mitigate the effects of fluctuations in cash flows.

20F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments recognised in the statement of financial position and on some financial instruments not recognised in the statement of financial position. The interest from financial assets including cash balances is not significant.

CHENG HONG WELFARE SERVICE SOCIETY

21. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
INT FRS 123	Uncertainty over Income Tax Treatments
FRS 12	Improvements (2017) – Amendments: Income Taxes

22. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

<u>FRS No.</u>	<u>Title</u>	Effective date for periods beginning <u>on or after</u>
NA	The Conceptual Framework for Financial Reporting	1 Jan 2020

CHENG HONG WELFARE SERVICE SOCIETY

**The accompanying supplementary statement of financial activities
has been prepared for management purposes only
and does not form part of the audited financial statements**

CHENG HONG WELFARE SERVICE SOCIETY

Supplementary Statement of Financial Activities
Year Ended 31 December 2019

	-----	Unrestricted	-----	
	General	Designated		
	funds	funds	2019	2018
	\$	\$	\$	\$
<u>Income resources</u>				
Voluntary income	1,717,601	1,177,312	2,894,913	2,394,554
Fund generating activities	106,088	–	106,088	401,393
Interest income	69,694	–	69,694	29,674
Charitable income	–	–	–	58,667
Other income	151,679	133,095	284,774	487,832
Total income resources	2,045,062	1,310,407	3,355,469	3,372,120
<u>Resources expended</u>				
Cost of generating voluntary income:				
- Fund raising expenses	36,638	–	36,638	51,807
Cost of charitable activities:				
- External contributions	30,315	32,211	62,526	53,487
- Bursary and scholarship	27,300	–	27,300	23,400
Cost of funds generating activities:				
- Activity and program expenses	302,774	373,282	676,056	574,274
Administrative costs	360,098	811,986	1,172,084	1,184,019
Total resources expended	757,125	1,217,479	1,974,604	1,886,987
Surplus for the year	1,287,937	92,928	1,380,865	1,485,133

Not part of audited financial statements

CHENG HONG WELFARE SERVICE SOCIETY

**Supplementary Statement of Financial Activities
Year Ended 31 December 2019**

	----- Unrestricted -----		
	General	Designated	
	funds	funds	
	\$	\$	
			<u>2019</u>
			<u>2018</u>
			\$
Activity and program expenses			
Activities and programs	302,774	1,260	304,034
Cost of medicines	–	174,197	174,197
Elderly programs	–	113,937	113,937
Funeral service fees	–	83,888	83,888
	<u>302,774</u>	<u>373,282</u>	<u>676,056</u>
			<u>574,274</u>
Administrative costs			
Audit fees	11,984	–	11,984
Administrative and clerical	–	1,240	1,240
Bank charges	1,615	100	1,715
CPF	36,632	73,036	109,668
Depreciation	5,551	68,805	74,356
General expenses	10,976	1,553	12,529
Insurance	449	7,350	7,799
Loss on disposal of plant and equipment	(1,454)	–	(1,454)
Medical expenses	1,613	1,268	2,881
Membership and subscriptions	6,475	16,239	22,714
Non-capitalised assets	491	1,703	2,194
Postage and courier	635	8	643
Printing and stationery	12,998	14,095	27,093
Professional fees	6,337	–	6,337
Refreshments	12,593	5,191	17,784
Rental of premises	–	4,635	4,635
Repairs and maintenance	87	3,583	3,670
Salaries and bonus	243,446	552,018	795,464
Staff benefits	3,032	1,858	4,890
Staff insurance	562	339	901
Staff training	1,326	1,514	2,840
Telecommunication	3,907	7,076	10,983
Transportation	823	26,247	27,070
Upkeep of motor vehicles	20	12,030	12,050
Utilities	–	12,098	12,098
Surplus for the year	<u>360,098</u>	<u>811,986</u>	<u>1,172,084</u>
			<u>1,184,019</u>

Not part of audited financial statements