

**SAGARAMUDRA BUDDHIST
SOCIETY**

[UEN: S88SS0090C]

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

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2014**

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Fiducia LLP

(UEN: T10LL0955L)

Public Accountants and
Chartered Accountants Singapore

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
T: (65) 6846.8376
F: (65) 6725.8161

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

04 APR 2015

Chew Swen Ling@ Shi Fa Qian
Ng Kok Eng@ Shi Fa Rong
Goh Siew Hwa@ Shi Fa Xuan
Janet Lim Poh Thung
Low Soo Gek@ Shi Fa Zun
Toh Keng Geok@ Shi Fa Qing
Chow Ooi Heng
Lim Chin Seng
Tan Chai Lian

President
First Vice President
Second Vice President
Honorary Treasurer
Assistant Honorary Treasurer
Honorary Secretary
Assistant Honorary Secretary
Committee Member
Committee Member

For and on behalf of the Management Committee,



Chew Swen Ling@ Shi Fa Qian
President



Janet Lim Poh Thung
Honorary Treasurer

Singapore, 04 APR 2015

Fiducia LLP

Public Accountants and
Chartered Accountants Singapore

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Independent auditor's report to the members of:

SAGARAMUDRA BUDDHIST SOCIETY

[UEN: S88SS0090C]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

We have audited the financial statements of **SAGARAMUDRA BUDDHIST SOCIETY** (the "Society") for the financial year ended 31 December 2014 as set out on pages 5 to 20, which comprise the statement of financial position as at 31 December 2014, the statement of financial activities, the statement of changes in funds and the statement of cash flow for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provision of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard, 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, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

1 Goldhill Plaza, #03-35
Podium Block, Singapore 308899.
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F: (65) 6725.8161

(CONT'D)

Independent auditor's report to the members of:

SAGARAMUDRA BUDDHIST SOCIETY

[UEN: S88SS0090C]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]


Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act (Chapter 311), Charities Act (Chapter 37) and Charities Accounting Standard so as to give a true and fair view of the state of affairs of the Society as at 31 December 2014, and the results of the financial activities, changes in funds and cash flows of the Society for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Societies Act (Chapter 311) to be kept by the Society have been properly kept in accordance with those regulations.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the objectives of the Society.



Fiducia LLP
Public Accountants and
Chartered Accountants
Singapore,

04 APR 2015

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
INCOME			
Voluntary income			
Donations boxes		114,091	127,762
General donations received		125,499	117,228
Monthly donations received		47,792	49,360
		<u>287,382</u>	<u>294,350</u>
Investment income			
Bank interest income		447	668
Fixed deposits interest income		41,689	38,694
		<u>42,136</u>	<u>39,362</u>
Income from charitable activities			
Animal liberation		1,139	535
Birthday blessing		1,944	1,618
Chanting service		30,300	43,400
Course fee		45,516	38,962
Members entrance and subscription fees		57,025	56,170
Lamp offering		98,800	104,920
Mid-Autumn Festival		3,000	0
Observance of 8 precepts		4,398	5,016
Qing Ming prayer ceremony		80,336	64,887
Seventh month prayer ceremony		185,766	178,690
Shui Chan prayer ceremony		103,583	102,864
Si shi gong yang		84,377	77,478
Solemnization services		180	720
Taiji class		3,285	4,665
Tour fees		47,970	144,890
Vegetarian cooking class		0	7,230
Vesak day prayer ceremony		34,287	41,456
Xin Chun prayer ceremony		58,496	62,976
Yoga class		0	280
		<u>840,402</u>	<u>936,757</u>
Other income			
Other income		2,980	3,004
		<u>2,980</u>	<u>3,004</u>
TOTAL INCOME		<u>1,172,900</u>	<u>1,273,473</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Cont'd)**

	Note	2014 S\$	2013 S\$
LESS: EXPENDITURE			
Cost of charitable activities			
Birthday blessing expenses		296	365
Bursary funds		1,100	2,050
Chanting services		7,450	9,240
Course expenses		24,108	33,233
Donations		13,800	14,800
Food & refreshment		8,513	6,344
Mid-Autumn festival expenses		5,879	2,508
Observance of 8 precepts		108	0
PCH of praying materials/food		845	4,568
Qing Ming prayer expenses		3,699	1,708
Reverends' allowances		61,200	61,200
Seventh month prayer expenses		18,475	15,602
Shui Chan prayer expenses		4,716	4,384
Si Shi Gong Yang expenses		1,953	1,082
Solemnization service		50	190
Subscription		50	50
Tours		46,730	135,711
Vesak day prayer expenses		1,337	1,762
Xin Chun prayer expenses		5,810	5,054
		<u>206,119</u>	<u>299,851</u>
Governance and administrative costs			
Accounting services		4,200	4,200
Advertisements		250	50
Audit fees		3,424	2,354
Bank charges		3,170	2,836
Cleaning services		4,373	3,454
Depreciation of property, plant and equipment	8	62,974	74,546
General expenses		479	5,264
Gifts and condolences		291	462
Insurance		13,416	7,824
Leasing rental		5,067	3,754
Newsletter and publication		45,380	30,861
Newspaper and periodical		1,103	1,752
Low-value assets written off		0	1,272
One day tour & outing		240	717
Postage and stamps		337	10,275
Printing & stationery		2,485	7,540
Property, plant and equipment written off		802	0
Property tax		4,518	3,960
Rental @ 705 Sims drive		20,000	14,400
Staff costs	5	116,916	176,423
Telephone expenses		5,488	4,799
Transportation		20	0
Upkeep of air conditioning		3,945	3,150
Upkeep of computers		4,617	1,360
Balance c/f		<u>303,495</u>	<u>361,253</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014
(Cont'd)**

	Note	2014 S\$	2013 S\$
LESS: EXPENDITURE (Cont'd)			
Governance and administrative costs (Cont'd)			
Balance b/f		303,495	361,253
Upkeep of office equipment		8,367	471
Upkeep of vehicles		9,647	7,579
Upkeep of premises - 5 Lorong 29 Geylang		11,092	11,569
Upkeep of premises - 574 Changi Road		3,022	440
Utilities		30,822	32,814
Volunteer training		4,963	0
Volunteer uniform		5,361	0
		<u>376,769</u>	<u>414,126</u>
TOTAL EXPENDITURE		582,888	713,977
Net income for the year		590,012	559,496
Total fund brought forward		<u>10,299,427</u>	<u>9,739,931</u>
Total fund carried forward		<u>10,889,439</u>	<u>10,299,427</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	4,427,236	3,816,363
Other receivables	7	<u>22,544</u>	<u>15,442</u>
		<u>4,449,780</u>	<u>3,831,805</u>
Non-current asset			
Property, plant and equipment	8	<u>6,528,220</u>	<u>6,562,573</u>
Total assets		<u>10,978,000</u>	<u>10,394,378</u>
LIABILITY			
Current liability			
Other payables	9	<u>88,561</u>	<u>94,951</u>
Total liability		<u>88,561</u>	<u>94,951</u>
NET ASSETS		<u>10,889,439</u>	<u>10,299,427</u>
UNRESTRICTED FUND			
General Fund	10	<u>10,889,439</u>	<u>10,299,427</u>

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

STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	Balance at beginning of year S\$	Net income for the year S\$	Transfers S\$	Balance at end of year S\$
2014					
UNRESTRICTED FUND					
General Fund	10	<u>10,299,427</u>	<u>590,012</u>	<u>0</u>	<u>10,889,439</u>
2013					
UNRESTRICTED FUND					
General Fund	10	<u>9,739,931</u>	<u>559,496</u>	<u>0</u>	<u>10,299,427</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

	Note	2014 S\$	2013 S\$
Cash flows from operating activities			
Net income for the year		590,012	559,496
Adjustments for:			
- Depreciation of property, plant and equipment	8	62,974	74,546
- Fixed deposits interest income		(41,689)	(38,694)
- Property, plant and equipment written off		802	0
Operating cash flow before working capital changes		<u>612,099</u>	<u>595,348</u>
Changes in operating assets and liabilities			
- Other receivables		(4,214)	12,995
- Other payables		(6,390)	(71,570)
Net cash provided by operating activities		<u>601,495</u>	<u>536,773</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(29,423)	(4,132)
Fixed deposits interest received		38,801	31,747
Net cash provided by investing activities		<u>9,378</u>	<u>27,615</u>
Net increase in cash and cash equivalents		610,873	564,388
Cash and cash equivalents at beginning of financial year		<u>3,816,363</u>	<u>3,251,975</u>
Cash and cash equivalents at end of financial year	6	<u>4,427,236</u>	<u>3,816,363</u>
Cash and cash equivalents comprise:			
Cash in hand		2,262	901
Cash in banks		215,050	344,339
Fixed deposits		4,209,924	3,471,123
	6	<u>4,427,236</u>	<u>3,816,363</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014

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

1. General information

Sagaramudra Buddhist Society ("the Society") was registered under the Societies Act (Chapter 311) on 18 January 1988. The Society became a registered charity under the Charities Act (Chapter 37) on 22 February 1991. The address of its registered office and principal place of business are located at 5 Lorong 29 Geylang, Singapore 388060.

The principal objective of the Society is to propagate Buddhist faith by studying the teachings of Buddha.

These financial statements are presented in Singapore Dollars, which is the Society's functional currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

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

2.2 Income recognition

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

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kinds are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Interest income

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

2.2.3 Other Income

Other income is recognized when incurred.

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation.

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

2.3.2 Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful lives
Buddha statues	30 years
Freehold buildings	50 years
Furniture and fittings	5 years
Motor vehicles	5 years
Office equipment	5 years
Renovation	5 years

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

2.3.3 Subsequent expenditure

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

2.3.4 Disposal

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

2. Significant accounting policies (Cont'd)

2.4 Financial assets

2.4.1 Classification

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

Loans and receivables

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

2.4.2 Recognition and derecognition

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

2.4.3 Measurement

Financial assets are initially recognized at fair value plus transaction costs. Loans and receivables are subsequently carried at amortized cost using effective interest method.

2.5 Leases

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognized as an expense in the income statement in the financial year in which they are incurred.

2.6 Other payables

Other payables are initially recognized at fair value, and subsequently carried at amortized cost, using the effective interest method.

2.7 Other receivables

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

2. Significant accounting policies (Cont'd)

2.8 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognized when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.9 Employee compensation

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognized as employee compensation expense when they are due.

2.10 Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions.

2.11 Cash and cash equivalents

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

2.12 Related parties

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the Society's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

4. Income tax

The Society is a charity registered under the Charities Act since 22 February 1991. Consequently, the income of the Society is exempt from tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

5. Staff costs

Included in the expenses expended are the following staff costs:

	2014 S\$	2013 S\$
Bonus	11,850	29,310
CPF Contributions	15,445	21,879
Medical Expenses	317	1,171
SDL	216	307
Staff salaries	87,880	116,495
Staff insurance	1,208	7,261
	<u>116,916</u>	<u>176,423</u>
The staff costs were allocated as follows:		
	S\$	S\$
• Costs of charitable activities	0	0
• Governance and other administrative costs	116,916	176,423
	<u>116,916</u>	<u>176,423</u>

6. Cash and cash equivalents

	2014 S\$	2013 S\$
Cash in hand	2,262	901
Cash at banks	215,050	344,339
	<u>217,312</u>	<u>345,240</u>
Fixed deposits	4,209,924	3,471,123
	<u>4,427,236</u>	<u>3,816,363</u>

At the statement of financial position date, the carrying amounts of cash and cash equivalents approximated their fair values.

Fixed deposits at the statement of financial position date had an average maturity within 12 months (2013: within 12 months) from that date and had a weighted average effective interest rate of 0.99% (2013: 1.11%) per annum.

7. Other receivables

	2014 S\$	2013 S\$
Deposits	5,610	4,810
Prepayments	7,099	3,685
Fixed deposits interest receivables	9,835	6,947
	<u>22,544</u>	<u>15,442</u>

At the date of the statement of financial position, the carrying amounts of other receivables approximated their fair value.

8. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
2014				
Cost				
Freehold land	4,542,600	0	0	4,542,600
Freehold building	2,215,310	0	0	2,215,310
Buddha statue	270,074	0	0	270,074
Motor vehicles	105,000	0	0	105,000
Office equipment	185,025	29,423	(3,456)	210,992
Furniture and fittings	72,839	0	0	72,839
Renovation	630,084	0	0	630,084
	<u>8,020,932</u>	<u>29,423</u>	<u>(3,456)</u>	<u>8,046,899</u>

	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
2014				
Accumulated depreciation				
Freehold land	0	0	0	0
Freehold building	393,697	44,306	0	438,003
Buddha statue	83,140	9,003	0	92,143
Motor vehicles	105,000	0	0	105,000
Office equipment	176,178	8,376	(2,654)	181,900
Furniture and fittings	72,838	0	0	72,838
Renovation	627,506	1,289	0	628,795
	<u>1,458,359</u>	<u>62,974</u>	<u>(2,654)</u>	<u>1,518,679</u>

	Balance at beginning of year S\$		Balance at end of year S\$
2014			
Net book value			
Freehold land	4,542,600		4,542,600
Freehold building	1,821,613		1,777,307
Buddha statue	186,934		177,931
Motor vehicles	0		0
Office equipment	8,847		29,092
Furniture and fittings	1		1
Renovation	2,578		1,289
	<u>6,562,573</u>		<u>6,528,220</u>

8. Property, plant and equipment (Cont'd)

	Balance at beginning of year S\$	Additions S\$	(Written off) S\$	Balance at end of year S\$
2013				
Cost				
Freehold land	4,542,600	0	0	4,542,600
Freehold building	2,215,310	0	0	2,215,310
Buddha statue	270,074	0	0	270,074
Motor vehicles	105,000	0	0	105,000
Office equipment	180,893	4,132	0	185,025
Furniture and fittings	72,839	0	0	72,839
Renovation	630,084	0	0	630,084
	<u>8,016,800</u>	<u>4,132</u>	<u>0</u>	<u>8,020,932</u>
Accumulated depreciation				
Freehold land	0	0	0	0
Freehold building	349,391	44,306	0	393,697
Buddha statue	74,137	9,003	0	83,140
Motor vehicles	93,600	11,400	0	105,000
Office equipment	169,829	6,349	0	176,178
Furniture and fittings	71,578	1,260	0	72,838
Renovation	625,278	2,228	0	627,506
	<u>1,383,813</u>	<u>74,546</u>	<u>0</u>	<u>1,458,359</u>
2013				
Net book value				
Freehold land	4,542,600			4,542,600
Freehold building	1,865,919			1,821,613
Buddha statue	195,937			186,934
Motor vehicles	11,400			0
Office equipment	11,064			8,847
Furniture and fittings	1,261			1
Renovation	4,806			2,578
	<u>6,632,987</u>			<u>6,562,573</u>

Fully depreciated property, plant and equipment are still in use.

9. Other payables

	2014 S\$	2013 S\$
Prayer Ceremony in advance	34,042	43,553
Subscription in advance	33,960	32,600
Other payables	16,785	15,841
Accruals	3,774	2,957
	<u>88,561</u>	<u>94,951</u>

At the date of statement of financial position, the carrying amounts of other payables approximated their fair values.

10. General Fund

The General Fund is for the purpose of meeting operating expenses incurred by the Society.

11. Related party transactions

The following transactions took place between the Society and related party during the financial year at terms agreed between the parties:

	2014 S\$	2013 S\$ (restated)
Course expenses	5,000	4,400
Rental @ 705 Sims drive	20,000	14,400
Reverends' allowances	<u>30,000</u>	<u>30,000</u>

12. Operating lease commitment

The Society leases office premises under non-cancellable operating lease agreement from a related party. The lease has varying terms, escalation clauses and renewal rights.

	2014 S\$	2013 S\$
Not later than one year	24,000	6,000
Later than one year but not later than five years	<u>10,000</u>	<u>0</u>

13. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee of the Society on an informal basis.

Currency risk

The Society is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollars.

Interest rate risk

The Society is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest bearing assets comprise bank balances and fixed deposits which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Society. No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Society. The major classes of financial assets of the Society are bank deposits. For other financial assets, the Society adopts the policy of dealing only with high credit quality counterparties.

Liquidity risk

The Society adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents to finance its activities and minimize the liquidity risk.

14. Fund management policy

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

15. Comparative figure

Certain restatement has been made to the prior year's disclosure note to enhance comparability with the current year's financial statements.

As a result, certain line item has been amended in the disclosure note. Comparative figure has been adjusted to conform to the current year's presentation.

The item was restated as follows:

	Previously reported 2013 S\$	After restated 2013 S\$
Related party transaction		
Course expenses	0	4,400

16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on

04 APR 2015