

Audited Financial Statements

Sagaramudra Buddhist Society

(UEN: S88SS0090C)

For the year ended 31 December 2020

General Information

Executive Committee

President	:	Chew Swen Ling@ Shi Fa Qian
Vice President	:	Goh Siew Hwa@ Shi Fa Xuan
Secretary	:	Low Soo Gek@ Shi Fa Zun
Assistant Secretary	:	Cheong Kwai Sim
Treasurer	:	Janet Lim Poh Thung
Assistant Treasurer	:	Ng Kok Eng@ Shi Fa Rong
Committee Members	:	Tan Chai Lian Lim Chin Seng Chow Ooi Heng Joanie

Independent Auditor

HLB Atrede LLP

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Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statement by the Executive Committee

We, Chew Swen Ling@ Shi Fa Qian and Janet Lim Poh Thung, being two members of the executive committee of Sagaramudra Buddhist Society (the “Society”), do hereby state that, in the opinion of the executive committee,

- (a) the accompanying financial statements are drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the “Societies Act”), the Charities Act, Chapter 37 and other relevant regulations (the “Charities Act and Regulations”) and Charities Accounting Standards in Singapore (“CAS”), so as to present fairly, in all material respects, the state of affairs of Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the 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.

For and on behalf of the Executive Committee,



Chew Swen Ling@ Shi Fa Qian
President



Janet Lim Poh Thung
Treasurer

Singapore
22 March 2021

**Independent Auditor's Report
to the members of Sagaramudra Buddhist Society
(UEN: S88SS0090C)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sagaramudra Buddhist Society (the "Society"), which comprise the statement of financial position as at 31 December 2020, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Charities Accounting Standards in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the financial position of the Society as at 31 December 2020 and of the results, changes in fund 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 the Executive Committee and the annual report but does not include the financial statements and our auditor's report thereon.

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

**Independent Auditor's Report
to the members of Sagaramudra Buddhist Society – continued
(UEN: S88SS0090C)**

Other Information (continued)

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 the Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Societies Act, the Charities Act and Regulations and CAS, and for such internal control as management determines is necessary to enable the preparation of financial statement that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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.

The executive committee 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.

Independent Auditor's Report
to the members of Sagaramudra Buddhist Society – continued
(UEN: S88SS0090C)

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

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

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

**Independent Auditor's Report
to the members of Sagaramudra Buddhist Society – continued
(UEN: S88SS0090C)**

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required be kept by the Society have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act and the Charities Act and Regulations.

A handwritten signature in black ink, appearing to read 'JMS Alredun', is written over the printed name 'HLB Atrede LLP'.

HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
22 March 2021

Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statements of Financial Position as at 31 December 2020

	Note	2020 \$	2019 \$
Non-current asset			
Property, plant and equipment	4	<u>11,208,452</u> 11,208,452	<u>11,317,586</u> 11,317,586
Current assets			
Motor vehicle held for sale	5	—	—
Other receivables	6	19,543	35,503
Cash and cash equivalents	7	<u>3,414,200</u> 3,433,743	<u>3,188,898</u> 3,224,401
Current liabilities			
Other payables	8	162,295	193,986
Deferred capital donation	9	<u>16,000</u> 178,295	<u>16,000</u> 209,986
Net current assets		3,255,448	3,014,415
Non-current liability			
Deferred capital donation	9	<u>736,000</u> 736,000	<u>752,000</u> 752,000
Net assets		<u>13,727,900</u>	<u>13,580,001</u>
Funds			
General fund	10	13,727,900	13,580,001
Total funds		<u>13,727,900</u>	<u>13,580,001</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statement of Financial Activities for the financial year ended 31 December 2020

	2020 General fund \$	2019 General fund \$
INCOME		
Voluntary income		
Donations boxes	7,698	67,179
Donations received	251,970	174,700
Monthly donations received	41,196	43,031
	<u>300,864</u>	<u>284,910</u>
Investment income		
Bank interest income	240	288
Fixed deposits interest income	38,361	45,251
	<u>38,601</u>	<u>45,539</u>
Income from charitable activities		
Birthday blessing	–	868
Chanting service	3,500	6,500
Course fee	–	40,916
Members entrance and subscription fees	54,665	57,820
Lamp offering	94,900	98,250
Observance of 8 precepts	–	2,895
One day retreat	–	1,185
Qing Ming prayer ceremony	3,110	97,773
Seventh month prayer ceremony	–	191,444
Shui Chan prayer ceremony	12,212	78,295
Si Shi Gong Yang	–	89,461
Solemnization services	–	860
Taiji class	–	3,135
Vesak day prayer ceremony	320	43,579
Xin Chun prayer ceremony	64,659	69,699
	<u>233,366</u>	<u>782,680</u>
Other income		
Gain on disposal of motor vehicle	–	41,800
Jobs support scheme	34,972	–
Special and temporary employment credit	1,376	1,459
Sundry income	–	10,000
	<u>36,348</u>	<u>53,259</u>
TOTAL INCOME	<u>609,179</u>	<u>1,166,388</u>

Statement of Financial Activities for the financial year ended 31 December 2020 – continued

	2020	2019
	General fund	General fund
	\$	\$
LESS: EXPENDITURE		
Cost of charitable activities		
Chanting services	840	1,950
Course expenses	716	10,910
Dharma talk	–	700
Donations	8,100	14,700
Food and refreshment	7,914	7,441
Mid-Autumn festival expenses	–	2,009
One day retreat expenses	–	384
PCH of praying materials/food	–	128
Qing Ming prayer expenses	–	3,496
Reverends' allowances	73,340	73,440
Seventh month prayer expenses	–	10,700
Shui Chan prayer expenses	372	2,197
Si Shi Gong Yang expenses	–	1,227
Solemnization service	–	100
Subscription	55	55
Vesak day prayer expenses	–	582
Xin Chun prayer expenses	1,626	778
	<u>92,963</u>	<u>130,797</u>
Governance and administrative costs		
Amortisation of deferred capital donation	(16,000)	(16,000)
Accounting services	4,200	4,200
Advertisements	628	907
Audit fees – current year	4,549	5,423
Audit fees – over-provision in prior year	(44)	–
Bank charges	1,828	3,820
Cleaning services	2,489	5,152
Depreciation	110,365	112,130
General expenses	1,008	2,692
Insurance	8,430	10,257
Leasing rental	3,788	3,788
Newsletter and publication	33,028	28,160
Newspaper and periodical	675	1,234
Postage and stamps	717	304
Printing and stationery	451	3,256
Property tax	7,584	8,133
Balance c/f	<u>163,696</u>	<u>173,456</u>

Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statement of Financial Activities for the financial year ended 31 December 2020 – continued

	2020	2019
	General fund	General fund
	\$	\$
LESS: EXPENDITURE (continued)		
Governance and administrative costs (continued)		
Balance b/f	163,696	173,456
Staff costs	147,997	177,409
Telephone expenses	5,824	5,026
Training expenses	6,150	11,262
Transportation	323	789
Upkeep of air conditioning	1,894	4,788
Upkeep of computers	8,074	5,775
Upkeep of office equipment	219	4,947
Upkeep of vehicles	765	769
Upkeep of premises – 5 Lorong 29 Geylang	13,984	11,856
Upkeep of premises – 574 Changi Road	630	610
Utilities	18,761	25,400
	<u>368,317</u>	<u>422,087</u>
TOTAL EXPENDITURE	<u>461,280</u>	<u>552,884</u>
Net income for the year	147,899	613,504
Reconciliation of funds		
Total fund brought forward	<u>13,580,001</u>	<u>12,966,497</u>
Total fund carried forward	<u>13,727,900</u>	<u>13,580,001</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statement of Changes in Funds for the financial year ended 31 December 2020

	General fund \$
Balance at 1 January 2019	12,966,497
Net income for the year	<u>613,504</u>
Balance at 31 December 2019	13,580,001
Net income for the year	<u>147,899</u>
Balance at 31 December 2020	<u><u>13,727,900</u></u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Sagaramudra Buddhist Society
(UEN: S88SS0090C)

Statement of Cash Flows for the financial year ended 31 December 2020

	2020	2019
	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before tax	147,899	613,504
Adjustments for:		
Depreciation	110,365	112,130
Gain on disposal of motor vehicle	–	(41,800)
Amortisation of deferred capital donation	(16,000)	(16,000)
Interest income	(38,361)	(45,251)
Operating profit before working capital changes	<u>203,903</u>	<u>622,583</u>
(Increase)/decrease in other receivables	(1,201)	1,659
Decrease in other payables	(31,691)	(27,923)
Net cash flows from operating activities	<u>171,011</u>	<u>596,319</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(1,231)	(9,114)
Proceed from disposal of motor vehicle	–	105,000
Interest received	55,522	32,423
Net cash flows from investing activities	<u>54,291</u>	<u>128,309</u>
Net increase in cash and cash equivalents	225,302	724,628
Cash and cash equivalents at beginning of year	<u>3,188,898</u>	<u>2,464,270</u>
Cash and cash equivalents at end of year	<u>3,414,200</u>	<u>3,188,898</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Notes to the Financial Statements – 31 December 2020

These notes are 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 was registered as charity under the Charities Act, Chapter 37 on 22 February 1991.

The Society’s registered office and principal place of business are located at 5 Lorong 29 Geylang, Singapore 388060.

The principal activities of the Society are to propagate Buddhist faith by studying the teachings of Buddha.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Charities Accounting Standards (“CAS”) and disclosure requirements of the Societies Act, Chapter 311 and the Charities Act, Chapter 37.

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 Dollar (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

(b) *Functional currency*

The committee has determined the currency of the primary economic environment in which the Society operates i.e. functional currency, to be SGD.

(c) *Property, plant and equipment*

All items of property, plant and equipment are initially recorded at cost and subsequently carried at cost less accumulated depreciation. The cost of an item of property, plant and equipment is recognised as an 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.

The cost of an item of property, plant and equipment initially recognised 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. The costs of day-to-day servicing of an item of property, plant and equipment as expenditure in the statement of financial activities in the period in which the costs are incurred.

Notes to the Financial Statements – 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Property, plant and equipment (continued)*

Freehold land has an unlimited useful life and therefore is not depreciated. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

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

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

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

Property, plant and equipment shall not be revalued and are not required to be assessed for impairment under the Charities Accounting Standards.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset shall be accounted for in net income or expenditure in the statement of financial activities in the period in which the disposal occurs as the difference between the net sale proceeds and the net carrying amount of the asset.

(d) *Financial assets*

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

Subsequent to initial measurement, the Society shall measure the financial asset at cost less any accumulated impairment losses.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired.

Notes to the Financial Statements – 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets (continued)*

The Society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired. If there is objective evidence that an impairment loss on a financial asset has been incurred (such as significant financial difficulty of the issuer or obligor, probable that the debtor will enter bankruptcy or other financial reorganisation), the impairment loss is recognised immediately in the statement of financial activities.

Subsequently, the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's financial condition), the Society shall reverse the previously recognised impairment loss. The reversal shall not result in a carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The Society shall recognise the amount of the reversal in the statement of financial activities immediately.

(e) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank, demand deposits which are subject to an insignificant risk of change in value.

(f) *Financial liabilities*

Financial liabilities are recognised when, the Society becomes a party to the contractual agreements of the financial instrument and are classified according to the substance of the contractual arrangements entered into. All interest related charges are recognised in the statement of financial activities. Financial liability includes "Other payables".

Financial liabilities are derecognised when the obligations under the liability are discharged, cancelled or expired. When existing financial liabilities are replaced by another from the same lender on substantially different terms of an existing liability or are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in respective carrying amounts is recognised in the statement of financial activities.

(g) *Other payables*

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

Notes to the Financial Statements – 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(h) *Provisions*

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and when 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. Any adjustments to the amounts previously recognized shall be recognized as expenditure in the Statement of Financial Activities unless the provision was originally recognised as part of the cost of an asset.

(i) *Operating leases as lessee*

Operating lease payments are recognised as an expense in the statement of financial activities on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(j) *Income recognition*

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. The following specific recognition criteria must be met before income is recognised:

(i) *Donations*

Donations are recognised when received. Donations-in-kinds are recognised when the fair value of the assets received can be reasonably ascertained. Donation is only deferred for recognition when the donors has imposed certain conditions that must be met before the Society has unconditional entitlement or the donor specifics that the donations can only be used in future accounting periods.

(ii) *Course fee*

Course fee income are recognised on accrual basis.

Notes to the Financial Statements – 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Income recognition (continued)*

(iii) *Membership subscription and entrance fee*

Membership subscription and entrance fee are recognised on cash basis.

(iv) *Interest income*

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

(v) *Service income*

Service income is recognised upon performance of services.

(vi) *Other income*

Other income are recognised when received.

(k) *Grants*

Government grant shall be recognised as income in the financial statement over the periods necessary to match them with the related costs for which the grants are intended to compensate on a systematic basis.

(l) *Expenditure*

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible.

(i) *Cost of charitable activities*

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society.

(ii) *Governance and administrative costs*

Governance costs include the cost of governance arrangement, which related to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements.

Notes to the Financial Statements – 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(m) *Income Taxes*

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

(n) *Employee benefits*

▪ *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into a separate entity such as the Central Provident Fund ("CPF"), on a mandatory contribution or voluntary basis. The Society has no further payment obligations once the contributions have been paid.

These contributions are recognised as an expense in the period in which the related service is performed.

(o) *Related parties*

Person are considered to be related if the person has the ability to control or exercise influence over the entity in making financial and operating decisions. The entity is considered related if the both entities are governed by common management committee members who has control in marking financial and operating decisions.

Notes to the Financial Statements – 31 December 2020

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of the revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of reporting period. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

▪ *Useful lives of property, plant and equipment*

Management estimates the useful lives of these property, plant and equipment to be within 5 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets, therefore, future depreciation charges could be revised. The carrying amount of the property, plant and equipment at the end of each reporting period is disclosed in Note 4 to the financial statements. The carrying amount of the Society's property, plant and equipment as at 31 December 2020 was \$11,208,452 (2019: \$11,317,586).

Notes to the Financial Statements – 31 December 2020

4. PLANT AND EQUIPMENT

	Freehold land \$	Freehold building \$	Buddha statue \$	Motor vehicles \$	Office equipment \$	Furniture and fittings \$	Renovation \$	Total \$
Cost:								
At 1 January 2019	8,199,052	3,641,709	270,074	96,788	274,564	24,634	626,829	13,133,650
Additions	–	2,734	–	–	4,012	2,368	–	9,114
Written off	–	–	–	–	(14,564)	–	–	(14,564)
At 31 December 2019 and 1 January 2020	8,199,052	3,644,443	270,074	96,788	264,012	27,002	626,829	13,128,200
Additions	–	–	–	–	1,231	–	–	1,231
At 31 December 2020	8,199,052	3,644,443	270,074	96,788	265,243	27,002	626,829	13,129,431
Accumulated depreciation:								
At 1 January 2019	–	643,754	128,153	67,516	225,963	20,833	626,829	1,713,048
Charge for the year	–	72,889	9,002	9,758	18,107	2,374	–	112,130
Written off	–	–	–	–	(14,564)	–	–	(14,564)
At 31 December 2019 and 1 January 2020	–	716,643	137,155	77,274	229,506	23,207	626,829	1,810,614
Charge for the year	–	72,889	9,002	9,758	16,343	2,373	–	110,365
At 31 December 2020	–	789,532	146,157	87,032	245,849	25,580	626,829	1,920,979

Net carrying amount:

At 31 December 2019	8,199,052	2,927,800	132,919	19,514	34,506	3,795	–	11,317,586
At 31 December 2020	8,199,052	2,854,911	123,917	9,756	19,394	1,422	–	11,208,452

The freehold land and building with net carrying values of \$11,053,963 (2019: \$11,126,852) are held in trust by Quek Teck Sae @ Shi Fa Liang, Syn Kok Hong @ Shi Fa Yuan and Tan Quee Kee @ Shi Fa Yi.

Notes to the Financial Statements – 31 December 2020

5. MOTOR VEHICLE HELD FOR SALE

	\$
Cost:	
At 1 January 2019	158,000
Disposal	<u>(158,000)</u>
At 31 December 2019 and 1 January 2020	–
Disposal	<u>–</u>
At 31 December 2020	<u>–</u>
Accumulated depreciation:	
At 1 January 2019	94,800
Disposal	<u>(94,800)</u>
At 31 December 2019 and 1 January 2020	–
Disposal	<u>–</u>
At 31 December 2020	<u>–</u>
Net carrying amount:	
At 31 December 2019	<u>–</u>
At 31 December 2020	<u>–</u>

Motor vehicle is presented as held for sale following the disposal of the motor vehicle at the consideration of \$105,000 during the prior financial reporting period.

6. OTHER RECEIVABLES

	2020 \$	2019 \$
Deposits	2,910	2,910
Fixed deposits interest receivables	10,811	27,972
Prepayment	<u>5,822</u>	<u>4,621</u>
	<u>19,543</u>	<u>35,503</u>

7. CASH AND CASH EQUIVALENTS

Cash in hand	12,819	5,494
Cash at banks	<u>183,538</u>	<u>129,011</u>
	196,357	134,505
Fixed deposits	<u>3,217,843</u>	<u>3,054,393</u>
	<u>3,414,200</u>	<u>3,188,898</u>

Fixed deposits are placed for periods within 3 to 12 (2019: 3 to 12) months and earn interest at the rate of 0.22% to 1.70% (2019: 1.35% to 1.90%) per annum.

Notes to the Financial Statements – 31 December 2020

8. OTHER PAYABLES

	2020	2019
	\$	\$
Accrued liabilities	12,135	7,315
Course fee and donation received in advance	10,870	11,253
Deferred income	51,500	55,000
Prayer ceremony received in advance	56,530	83,398
Subscription received in advance	31,260	37,020
	<u>162,295</u>	<u>193,986</u>
Presented as:		
Current	162,295	193,986
Non-current	—	—
	<u>162,295</u>	<u>193,986</u>

9. DEFERRED CAPITAL DONATION

		\$
Cost:		
At 1 January 2019		800,000
Transfer from building fund		—
At 31 December 2019 and 1 January 2020		800,000
Transfer from building fund		—
At 31 December 2020		800,000
Accumulated amortisation:		
At 1 January 2019		16,000
Transfer from building fund		16,000
At 31 December 2019 and 1 January 2020		32,000
Addition		16,000
At 31 December 2020		48,000
Net carrying amount:		
At 31 December 2019		768,000
At 31 December 2020		752,000
	2020	2019
	\$	\$
Presented as:		
Current	16,000	16,000
Non-current	736,000	752,000
	752,000	768,000

Notes to the Financial Statements – 31 December 2020

9. DEFERRED CAPITAL DONATION (continued)

Deferred capital donation relates to donation received to support the reconstruction work at 12 Cedar Ave which was completed in the prior year. The donation is amortised over the useful of the property of 50 years on a straight-line basis.

There are no unfulfilled conditions or contingencies attached to the donation.

10. GENERAL FUND

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

11. OPERATING LEASE COMMITMENTS

The Society has entered into commercial leases on office equipment. These leases have an average tenure of between 3 and 5 years with no renewal option or contingent rent provision included in the contracts. There is no restriction placed upon the Society by entering into these leases.

Future rental payable under non-cancellable leases as at the end of reporting period are as follows:

	2020	2019
	\$	\$
Not later than one year	3,788	3,788
Later than one year but not later than five years	4,186	7,974
	<u>7,974</u>	<u>11,762</u>

Lease payments recognised as an expense in the Statement of Financial Activities for the financial year ended 31 December 2020 amounted to \$3,788 (2019: \$3,788).

12. RELATED PARTY DISCLOSURES

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Society and related parties that took place at terms agreed between the parties during the financial year:

(i) *Compensation of key management personnel*

Key management personnel of the Society are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Society. The management committees of the Society are considered as key management personnel of the Society.

	2020	2019
	\$	\$
Course expenses	—	4,000
Reverends allowance	<u>27,200</u>	<u>28,800</u>

Notes to the Financial Statements – 31 December 2020

13. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Society is exposed to minimal financial risks arising from its operations and the use of financial instruments. The key financial risk is liquidity risk. The overall risk management is determined and carried out by the Executive Committee and there has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

The following sections provide details regarding the Society's exposure to the financial risks associated with financial instruments held in the ordinary course of business and the objectives, policies and processes for the management of these risks.

(i) *Liquidity risk*

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents to finance its activities and minimise the liquidity risk.

Analysis of financial instruments by remaining contractual maturities

The table below analyses the maturity profile of the Society's financial liabilities at the end of reporting period, based on contractual undiscounted repayment obligations.

	Total \$	Within one year \$	Within two to five years \$
2020			
Other payables	<u>12,135</u>	<u>12,135</u>	<u>–</u>
2019			
Other payables	<u>7,315</u>	<u>7,315</u>	<u>–</u>

14. FUND MANAGEMENT

The primary objective of the Society is to ensure that it maintains a healthy working capital position mainly through charitable activities to sustain its operations.

There are no changes in the Society's approach to fund management during the year.

15. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Executive Committee of the Society on 22 March 2021.