

SINGAPORE BUDDHIST WELFARE SERVICES
(UEN: S81SS0060H)
(Registered in the Republic of Singapore)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2020

SINGAPORE BUDDHIST WELFARE SERVICES

(UEN: S81SS0060H)

(Registered in Singapore under the Societies Act)

FINANCIAL STATEMENTS - 31 DECEMBER 2020

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SINGAPORE BUDDHIST WELFARE SERVICES

Statement by the Executive Committee Members

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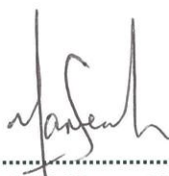
In the opinion of the Executive Committee:

- (a) the accompanying statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows together with the notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of Singapore Buddhist Welfare Services (the "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.

On behalf of the Executive Committee



.....
Kuan Yan
President



.....
Seah Li Kheng Marie
Hon. Treasurer



.....
Chew Heng Tuan
Hon. Secretary

5 JUL 2021

SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2020

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To the members of Singapore Buddhist Welfare Services

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Buddhist Welfare Services (the "Society"), which comprise the statement of financial position as at 31 December 2020, and the statement of profit or loss and other comprehensive income, statement of changes in funds and statement of cash flows for the financial 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 Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the 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.

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 information included in the statement by the executive committee members, 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 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. 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.

SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2020

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To the members of Singapore Buddhist Welfare Services (cont'd)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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


In preparing the financial statements, management is responsible for assessing the 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.
 - 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.
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ROBERT YAM & CO PAC

Incorporated with limited liability
UEN: 201833873N

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Independent Auditor's Report For the Financial Year Ended 31 December 2020

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To the members of Singapore Buddhist Welfare Services (cont'd)

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

- 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, the accounting and other records required to be kept 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.

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 of the Charities (Institutions of a Public Character) Regulations.



Robert Yam & Co PAC
Public Accountants and
Chartered Accountants
Singapore

5 July 2021

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2020**

	Note	2020				2019	
		Unrestricted funds S\$	Fu Hui Link Building S\$	Restricted funds Kidney Dialysis Centre S\$	Green Haven S\$	Total funds S\$	Total funds S\$
Income							
Voluntary income	4	3,264,963	6,090	557,454	1,503,350	5,331,857	5,593,587
Fund-generating activities	5	1,749,897	-	-	-	1,749,897	1,644,056
Investment income	6	15,265	-	-	144	15,409	26,125
Income from charitable activities	7	2,846,924	-	-	-	2,846,924	3,262,016
Other income	8	1,325,240	-	-	68	1,325,308	61,765
Total income		9,202,289	6,090	557,454	1,503,562	11,269,395	10,587,549
Expenses							
Cost of generating fund							
Buffet, lunch and dinner		-	-	-	396	396	11,526
Green delights		336,744	-	-	-	336,744	306,378
Staff cost and emoluments	9	1,476,988	-	-	-	1,476,988	1,307,206
Workshop expenses		119,264	-	-	6,588	125,852	69,028
Total cost of generating fund		1,932,996	-	-	6,984	1,939,980	1,694,138
Cost of generating voluntary income							
Event set up costs		3,548	-	-	6,400	9,948	173,007
Hospitality & gifts		393	-	-	-	393	3,025
Lunar new year celebration		20,027	-	-	-	20,027	20,027
Memorial Service Late Venerable Yen Pei		2,332	-	-	-	2,332	14,779
Staff cost and emoluments	9	2,510,054	-	-	-	2,510,054	2,158,775
Total cost of generating voluntary income		2,536,354	-	-	6,400	2,542,754	2,349,586

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Profit or Loss and Other Comprehensive Income (cont'd)
For the Financial Year Ended 31 December 2020**

		2020				2019	
		Unrestricted funds	Fu Hui Link Building	Restricted funds	Green Haven	Total funds	Total funds
	Note	S\$	S\$	Kidney Dialysis Centre S\$	S\$	S\$	S\$
Charitable activities							
Activity expenses		14,751	-	-	-	14,751	40,752
Advertisement		4,582	-	-	-	4,582	1,761
Books and toys for teaching aids		4,926	-	-	-	4,926	3,189
Counselling expenses		380	-	-	-	380	2,100
Healthcare Buzz expenses		-	-	-	-	-	27,966
Nursing Care Services rendered		27,874	-	-	-	27,874	75,688
Mid-Autumn festival		-	-	-	-	-	25,575
Meal and refreshments		24,978	-	-	72,649	97,627	134,122
Organic farming expenses		-	-	-	1,319	1,319	2,203
Staff cost and emoluments	9	-	-	-	566,344	566,344	679,237
Welfare Fund distributed	10	99,990	-	700,000	-	799,990	834,550
Total charitable activities		177,481	-	700,000	640,312	1,517,793	1,827,143
Governance cost							
Audit fees		33,000	-	-	-	33,000	30,500
License fee		3,579	-	-	45	3,624	3,886
Professional fees		7,868	-	-	48,000	55,868	79,859
Total governance cost		44,447	-	-	48,045	92,492	114,245
Other expenditures							
Ang pao		1,160	-	-	-	1,160	1,090
Bank charges		19,928	-	-	-	19,928	6,656
Chanting fee		-	-	-	-	-	6,404
Condolence		2,590	-	-	-	2,590	400
Depreciation expense	12	1,500,766	707,304	-	441,458	2,649,518	2,569,440
Insurance		33,368	-	-	5,078	38,446	26,690
Interest expenses	23	43,196	-	-	25,960	69,156	76,030
Lucky draw		-	-	-	-	-	4,493
Loss on disposal of property, plant and equipment		-	-	-	-	-	(2,152)

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Profit or Loss and Other Comprehensive Income (cont'd)
For the Financial Year Ended 31 December 2020**

	← 2020 →	→ 2019			
	← Restricted funds →				
Note	Fu Hui Link Building S\$	Kidney Dialysis Centre S\$	Green Haven S\$	Total funds S\$	Total funds S\$
Other expenditures (cont'd)					
Medical fee	11,138	-	1,732	12,870	14,003
Medical supply	9,481	-	1,259	10,740	12,232
Newspapers & periodicals	729	-	536	1,265	1,312
Postage & stamps	10,992	-	-	10,992	22,518
Printing & stationery	38,259	-	636	38,895	56,801
Rental expenses	4,945	-	-	4,945	9,723
Repair & maintenance	593,605	-	81,499	675,104	681,559
Recruit expenses	17,692	-	-	17,692	2,337
Services rendered	34,815	-	11,495	46,310	55,850
Small assets	25,546	-	224	25,770	11,421
Sundry	29,418	-	2,559	31,977	40,842
Telephone charges	15,754	-	2,391	18,145	23,533
Training fee	1,917	-	2,876	4,794	7,129
Transportation	1,223	-	101	1,324	2,271
Upkeep of motor vehicles	50,375	-	2,084	52,458	21,542
Unclaimed GST expenses	81,196	-	-	81,196	156,849
Water & light	300,132	-	36,844	336,976	415,468
Total expenses	2,828,225	707,304	616,722	4,152,251	4,224,441
	7,519,503	707,304	1,318,463	10,245,270	10,209,553
Net surplus/(deficit), representing total comprehensive income for the year	1,682,786	(701,214)	185,099	1,024,125	377,996

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

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Financial Position
As at 31 December 2020**

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	Note	2020 S\$	2019 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	12	46,191,957	45,723,169
Library books	13	10,340	10,340
		<u>46,202,297</u>	<u>45,733,509</u>
Current assets			
Inventories	14	24,048	21,297
Trade and other receivables	15	1,493,502	1,473,259
Other current assets	16	58,442	71,389
Cash and cash equivalents	17	8,814,014	6,919,743
		<u>10,390,006</u>	<u>8,485,688</u>
Total assets		<u>56,592,303</u> =====	<u>54,219,197</u> =====
FUNDS AND LIABILITIES			
Funds			
Unrestricted fund:			
Accumulated fund		40,656,693	38,973,907
Restricted funds:			
Fu Hui Link Building fund	11	10,250,155	10,951,369
Kidney Dialysis Centre fund	11	37,083	179,629
Green Haven		185,099	-
Total funds		<u>51,129,030</u> =====	<u>50,104,905</u> =====
Non-current liability			
Deferred capital grants	21	1,245,894	1,499,610
Lease liabilities	23	1,814,677	218,664
		<u>3,060,571</u>	<u>1,718,274</u>
Current liabilities			
Amounts received in advance	18	64,751	64,751
Other payables	19	1,046,431	1,118,485
Subscriptions received in advance	20	28,624	25,352
Deferred capital grants	21	243,036	243,036
Lease liabilities	23	1,019,860	944,394
		<u>2,402,702</u>	<u>2,396,018</u>
Net current assets		<u>7,987,304</u>	<u>6,089,670</u>
Total liabilities		<u>5,463,273</u>	<u>4,114,292</u>
Net assets		<u>51,129,030</u>	<u>50,104,905</u>
Total funds and liabilities		<u>56,592,303</u> =====	<u>54,219,197</u> =====

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

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Changes in Funds
For the Financial Year Ended 31 December 2020**

	←	Restricted	→	
	Fu Hui Link Building Fund S\$	Kidney Dialysis Centre Fund S\$	Green Haven S\$	Total S\$
Balance at 1 January 2019	37,921,916	11,632,260	172,733	49,726,909
Net surplus/(deficit), representing total comprehensive income for the year	1,371,170	(680,891)	6,896	377,996
Transfer of funds	(319,179)	-	319,179	-
Balance at 31 December 2019	38,973,907	10,951,369	179,629	50,104,905
Net surplus/(deficit), representing total comprehensive income for the year	1,682,786	(701,214)	(142,546)	185,099
Balance at 31 December 2020	40,656,693	10,250,155	37,083	51,129,030

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

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Cash Flows
For the Financial Year Ended 31 December 2020**

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	Note	2020 S\$	2019 S\$
Cash flows from operating activities:			
Net surplus for the year		1,024,125	377,996
Adjustments for:			
Depreciation expense	12	2,649,518	2,569,440
Amortisation of deferred capital grants	4	(243,036)	(243,036)
Gain on disposal of property, plant and equipment		-	(2,152)
Fixed deposits interest income	6	(15,409)	(26,125)
Interest expenses		69,156	76,030
		<u>3,484,354</u>	<u>2,752,153</u>
Operating cash flow before working capital changes		3,484,354	2,752,153
Changes in working capital:			
Inventories		(2,751)	(8,518)
Trade and other receivables		(20,243)	792
Other current assets		12,947	(23,210)
Other payables		(72,054)	230,571
Subscriptions received in advance		3,272	1,140
		<u>3,405,525</u>	<u>2,952,928</u>
Net cash from operating activities		3,405,525	2,952,928
Cash flows from investing activities:			
Purchase of property, plant and equipment	12	(375,917)	(1,665,852)
Proceeds on sales of property, plant and equipment	12	-	13,536
Government grants received	21	13,500	27,000
Refund of government grants	21	(24,180)	-
Fixed deposits interest received		15,409	26,125
Increase in pledged fixed deposits		93,575	41,965
		<u>(277,613)</u>	<u>(1,557,226)</u>
Net cash used in investing activities		(277,613)	(1,557,226)
Cash flows from financing activities:			
Lease payments		(1,140,066)	(1,135,378)
		<u>(1,140,066)</u>	<u>(1,135,378)</u>
Net cash used in financing activities		(1,140,066)	(1,135,378)
		<u>1,987,846</u>	<u>260,324</u>
Net increase in cash and cash equivalents		1,987,846	260,324
Cash and cash equivalents at beginning of year		6,660,779	6,400,455
		<u>8,648,625</u>	<u>6,660,779</u>
Cash and cash equivalents at end of year	17	8,648,625	6,660,779

SINGAPORE BUDDHIST WELFARE SERVICES**Statement of Cash Flows (cont'd)
For the Financial Year Ended 31 December 2020****11**Reconciliation of liabilities arising from financing activities

(in S\$)	1 January 2020	Cash flows	Non-cash changes		31 December 2020
			Lease renewal	Interest expense	
Lease liabilities	1,163,058	(1,140,066)	2,742,389	69,156	2,834,537

(in S\$)	1 January 2019	Cash flows	Non-cash changes		31 December 2019
			Lease renewal	Interest expense	
Lease liabilities	1,834,815	(1,135,378)	387,591	76,030	1,163,058

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

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements For the Financial Year Ended 31 December 2020

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

1. General information

The Singapore Buddhist Welfare Services (the "Society") is registered under the Societies Act, Chapter 311 and is domiciled in the Republic of Singapore. The Society is also an approved charity under the Charities Act, Chapter 37 and has been an Institution of Public Character (IPC) since 9 May 1991. Its present IPC status is effective from 1 October 2017 to 30 June 2020.

The address of its registered office and principal place of business is located at 105 Punggol Road, Singapore 546636.

The principal activities of the Society are to initiate and organise voluntary programs, services and activities supportive of the relief of poverty, suffering, ignorance or ill-health, physical and psychological without limitation of age, gender, race, nationality, religion or personality, through the provision of counselling, advisory, financial assistance, training or education of assistance that may be deemed desirable.

The financial statements for the financial year ended 31 December 2020 were authorised for issue by the Executive Committee on 5 July 2021.

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50.

2.2 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.

2.3 Functional and presentation currency

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

3. Significant accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards that are relevant to the Society and are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards did not have any material effect on the financial statements, unless otherwise indicated.

3.1 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	<u>Useful lives</u>
Leasehold land and building	50 years
Statues	50 years
Renovation	10 to 50 years
Organic farming equipment	5 years
Furniture & fittings	10 years
Equipment	5 to 10 years
Motor vehicles	5 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

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 on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

3.2 Impairment of non-financial assets

The Society assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Society makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash generating unit's fair value less costs of disposal and its value-in-use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

3. Significant accounting policies (cont'd)

3.2 Impairment of non-financial assets (cont'd)

Impairment losses are recognised in profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

3.3 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. At initial recognition, the financial asset or financial liability is measured at its fair value plus, 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 of the financial asset or financial liability.

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.

Classification and measurement of financial assets

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.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Classification and measurement of financial liabilities

Financial liabilities are classified as at fair value through profit or loss (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.

3.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the first-in, first-out method. Where necessary, allowance is provided for damaged, obsolete and slow-moving items to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

3.5 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and fixed deposits that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value. For the purpose of presentation in the statement of cash flows, pledged deposits are excluded

3.6 Provisions

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

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

3.7 Government grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments. Government grants related to income are recognised in profit or loss and included in voluntary income or other income on a systematic basis over the periods in which the Society recognises as expenses, the related costs for which the grants are intended to compensate.

3. Significant accounting policies (cont'd)

3.8 Fair value estimation of financial assets and liabilities

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.

3.9 Leases

The Society assesses at contract, inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Society at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 3.2.

The Society's right-of-use assets are presented within property, plant and equipment (Note 12).

3. Significant accounting policies (cont'd)

3.9 Leases (cont'd)

Lease liabilities

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease. If the lease term reflects the Society exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Society uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Society's lease liabilities are included in the note on leases (Note 23).

3.10 Employee benefits

(a) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity such as the Central Provident Fund and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

(b) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

3. Significant accounting policies (cont'd)

3.11 Revenue recognition

Donations are recognised as income when received.

Interest income is recognised using the effective interest method.

Membership subscriptions are recognised as income when due and receivable.

Income from other fund generating activities are recognised when the services are rendered.

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

3.12 Donation in kind

Assets given for use by the Society are recognised as incoming resources and within the relevant property, plant and equipment category of the statement of financial position when receivable. Goods donated as consumables are recorded at values based on a reasonable estimate of their value (if material). Assets which are donated for resale, distribution or consumption are not recorded when received as it is usually not practical to ascertain the value of the items involved. No value is ascribed to volunteer services. The donation is recognised if the amount of the donation in kind can be measured reliably and there is no uncertainty that it will be received.

3.13 Income tax

The Society is exempt from income tax under Section 13(1)(zm) of the Singapore Income Tax Act.

3.14 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 activity 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.

3. Significant accounting policies (cont'd)**3.14 Funds (cont'd)****Accumulated fund**

This fund, which is unrestricted, is expendable at the discretion of the Executive Committee in furtherance of the Society's objectives.

Fu Hui Link Building fund

Fu Hui Link Building fund is a restricted fund accumulated from funds raised for the construction of the Fu Hui Link Building. Amounts equal to the depreciation charge for the land and building is charged to the fund. It will be exhausted when the land and building are fully depreciated.

Kidney Dialysis Centre fund

Kidney Dialysis Centre fund is a restricted fund accumulated from funds raised for the SBWS - NKF Dialysis Centre. The Society has committed to sponsor the centre's yearly recurrent operating costs.

3.15 Foreign currency

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency exchange differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the end of the reporting period are recognised in profit or loss. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

3.16 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 period.

4. Voluntary income

	2020 S\$	2019 S\$
<u>Unrestricted</u>		
Donation box	141,303	148,661
Donations received	879,757	1,222,523
Donations for Healthcare Bus	1,310	3,980
Donations for Happy Villa	170,203	211,798
Donations for Meal Scheme	47,389	23,777
Donations for Green Haven	1,160	4,646
Tax-exempt donations received	1,577,127	2,026,219
Subsidy from Community Development Council	21,600	26,200
Government funding	223,366	44,849
	<u>3,063,215</u>	<u>3,712,653</u>

SINGAPORE BUDDHIST WELFARE SERVICES**Notes to the Financial Statements
For the Financial Year Ended 31 December 2020****20**

4. Voluntary income (cont'd)	2020	2019
	S\$	S\$
<u>Restricted</u>		
Contributions received for Fu Hui Link Building Fund	6,090	26,413
Contributions received for Kidney Dialysis Centre Fund	557,454	706,896
Amortisation of deferred capital grants (Note 21)	243,036	243,036
Donation received	-	14,208
Government funding	1,462,062	890,381
	<u>2,268,642</u>	<u>1,880,934</u>
	<u>5,331,857</u>	<u>5,593,587</u>
	=====	=====

Tax-exempt donations received are donations for which tax-exempt receipts have been issued.

During the financial year, the Society issued tax-exempt receipts for donations collected amounting to S\$1,833,952 (2019: S\$2,362,090).

5. Income from fund-generating activities	2020	2019
	S\$	S\$
Ordinary sponsorship subscription	12,400	16,400
Ordinary membership subscription	22,727	26,232
Registration fee	7,286	6,002
Fee collected	1,603,194	1,524,642
Gain on sale of uniforms and mattress	3,849	1,264
Marriage education and enrichment program	280	3,080
Holiday programs and healthcare bus income	16,525	66,436
Fu Hui Golden Care income	83,636	-
	<u>1,749,897</u>	<u>1,644,056</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2020**

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6. Investment income		
	2020	2019
	S\$	S\$
<u>Unrestricted</u>		
Fixed deposit interest income	15,265	25,981
<u>Restricted</u>		
Fixed deposit interest income	144	144
	<u>15,409</u>	<u>26,125</u>
	=====	=====
 7. Income from charitable activities		
	2020	2019
	S\$	S\$
Income from Grace Lodge		
- Rental	2,153,188	2,355,000
- Water and light	165,356	180,846
- Shared service	96,000	96,000
Income from Fu Hui Buddhist Cultural Centre		
- Rental	180,000	180,000
- Water and light	25,112	35,782
- Shared service	48,000	48,000
Income from vending machines	1,018	1,973
Income from Green delights	178,250	360,776
Income from Fu Hui Link Building Carpark	-	3,639
	<u>2,846,924</u>	<u>3,262,016</u>
	=====	=====
 8. Other income		
	2020	2019
	S\$	S\$
Foreign worker levy rebate	24,750	-
Job support scheme	861,473	-
Special employment credit	30,980	-
Wage credit scheme	76,420	61,284
Rental rebates	330,000	-
Miscellaneous	1,685	481
	<u>1,325,308</u>	<u>61,765</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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9. Staff costs and emoluments	2020	2019
	S\$	S\$
<u>Unrestricted</u>		
Salaries and bonuses	3,440,633	2,985,541
Staff incentive	12,717	6,790
CPF & SDL	470,804	406,234
Foreign workers' levy	62,888	67,416
	<u>3,987,042</u>	<u>3,465,981</u>
<u>Restricted</u>		
Salaries and bonuses	491,338	589,065
Staff incentive	-	329
CPF and SDL	75,006	89,843
	<u>566,344</u>	<u>679,237</u>
	<u>4,553,386</u>	<u>4,145,218</u>
	=====	=====
Average number of employees	111	106
	=====	=====
10. Welfare fund distributed	2020	2019
	S\$	S\$
SBWS – NKF Dialysis Centre (Note 22)	700,000	700,000
Public assistance fund	55,980	81,980
Free meal scheme program	36,000	36,644
Vesak Day - ang pao for the poor and needy	7,410	5,150
Outright donation	600	10,776
	<u>799,990</u>	<u>834,550</u>
	=====	=====

These are expensed out from the general donations received by the Society.

11. Funds of the Society

Fu Hui Link Building Fund

Fu Hui Link Building fund is a restricted fund accumulated from funds raised for the construction of the Fu Hui Link Building. Amounts equal to the depreciation charge for the land and building is charged to the fund. It will be exhausted when the land and building are fully depreciated.

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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11. Funds of the Society (cont'd)

Fu Hui Link Building Fund (cont'd)

	2020 S\$	2019 S\$
Beginning of the year	10,951,369	11,632,260
Add: Funds received during the year	6,090	26,413
Less: Utilisation of funds during the year	(707,304)	(707,304)
	<u>10,250,155</u>	<u>10,951,369</u>
End of the year	=====	=====

Kidney Dialysis Centre Fund

Kidney Dialysis Centre fund is a restricted fund accumulated from funds raised for the SBWS - NKF Dialysis Centre. The Society has committed to sponsor the centre's yearly recurrent operating costs.

	2020 S\$	2019 S\$
Beginning of the year	179,629	172,733
Add: Funds received during the year	557,454	706,896
Less: Utilisation of funds during the year	(700,000)	(700,000)
	<u>37,083</u>	<u>179,629</u>
End of the year	=====	=====

Green Haven

Green Haven fund is a restricted fund accumulated from funds raised for the operations of the halfway house.

	2020 S\$	2019 S\$
Beginning of the year	-	-
Add: Funds received during the year	1,503,562	1,147,769
Less: Utilisation of funds during the year	(1,318,463)	(1,466,948)
Transfer to unrestricted accumulated fund	-	319,179
	<u>185,099</u>	<u>-</u>
End of the year	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2020**

12. Property, plant and equipment

	Leasehold land & building S\$	Status S\$	Renovation S\$	Organic farming equipment S\$	Furniture & fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
2020									
Cost									
At 01.01.2020	52,299,256	130,493	5,468,698	25,914	600,279	1,252,744	729,939	900,737	61,408,060
Additions	2,742,389	-	83,790	-	14,689	169,058	108,380	-	3,118,306
Reclassifications	-	-	446,120	-	-	-	-	(446,120)	-
At 31.12.2020	55,041,645	130,493	5,998,608	25,914	614,968	1,421,802	838,319	454,617	64,526,366
Accumulated depreciation									
At 01.01.2020	12,177,548	70,005	1,743,466	25,758	399,280	752,470	516,364	-	15,684,891
Charge for the year	2,057,934	2,610	370,745	156	32,105	82,768	103,200	-	2,649,518
At 31.12.2020	14,235,482	72,615	2,114,211	25,914	431,385	835,238	619,564	-	18,334,409
Net carrying amount									
At 31.12.2020	40,806,163	57,878	3,482,889	-	183,583	586,564	218,755	454,617	46,191,957

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2020**

12. Property, plant & equipment (cont'd)

	Leasehold land & building S\$	Statuses S\$	Renovation S\$	Organic farming equipment S\$	Furniture & fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
2019									
Cost									
At 01.01.2019	50,076,850	130,493	5,200,262	25,914	505,717	875,827	746,131	39,000	57,600,194
Effects of adopting FRS 116 (Note 23)	1,834,815	-	-	-	-	-	-	-	1,834,815
At 1 January 2019									
(restated)	51,911,665	130,493	5,200,262	25,914	505,717	875,827	746,131	39,000	59,435,009
Additions	387,591	-	268,436	-	94,562	376,917	64,200	861,737	2,053,443
Disposals	-	-	-	-	-	-	(80,392)	-	(80,392)
At 31.12.2019									
	52,299,256	130,493	5,468,698	25,914	600,279	1,252,744	729,939	900,737	61,408,060
Accumulated depreciation									
At 01.01.2019	10,101,255	70,005	1,424,863	25,548	375,553	696,045	491,190	-	13,184,459
Charge for the year	2,076,293	-	318,603	210	23,727	56,425	94,182	-	2,569,440
Disposals	-	-	-	-	-	-	(69,008)	-	(69,008)
At 31.12.2019									
	12,177,548	70,005	1,743,466	25,758	399,280	752,470	516,364	-	15,684,891
Net carrying amount									
At 31.12.2019	40,121,708	60,488	3,725,232	156	200,999	500,274	213,575	900,737	45,723,169

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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12. Property, plant & equipment (cont'd)

Leasehold land and building at Punggol Road with Lot No. MK21-1107X is held in trust by the four trustees of the Society.

Construction in progress relates to renovation works at Happy Villa located at Blk 1 #03-50 Tanjong Pagar Plaza, Singapore 082001. In 2017, construction works carried out at the relocated Green Haven Halfway House at 10 Admiralty Road East, Singapore 759988 was completed.

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 23.

13. Library books

	2020 S\$	2019 S\$
Cost		
Beginning and end of financial year	10,340 =====	10,340 =====

Library books are not depreciated due to their infinite useful life and high residual value. In addition, depreciation charge on these library books would have been insignificant.

14. Inventories

	2020 S\$	2019 S\$
Medicines	17,747	13,560
Uniforms and T-shirts	3,804	5,240
Vests	2,172	2,172
Mattress	325	325
	<u>24,048</u> =====	<u>21,297</u> =====

15. Trade and other receivables

	2020 S\$	2019 S\$
Trade receivables – related parties	1,452,672	1,402,143
Trade receivables – non related parties	835	-
Refundable deposits	27,682	55,252
Fixed deposit interest receivable	12,313	15,864
	<u>1,493,502</u> =====	<u>1,473,259</u> =====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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15. Trade and other receivables (cont'd)

Trade receivables are non-interest bearing and are generally on 60 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

16. Other current assets

	2020 S\$	2019 S\$
Prepayments	58,442	71,389
	=====	=====

17. Cash and cash equivalents

	2020 S\$	2019 S\$
Cash at bank	7,466,951	5,591,200
Cash on hand	1,522	2,908
Fixed deposits	1,345,541	1,325,635
	<u>8,814,014</u>	<u>6,919,743</u>
	=====	=====
Comprising:		
Cash at bank restricted under		
- Fu Hui Link Building	-	181,967
- Green Haven	165,389	76,638
Cash on hand restricted under		
- Green Haven	349	527
Not restricted in use	8,648,276	6,660,611
	<u>8,814,014</u>	<u>6,919,743</u>
	=====	=====

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	2020 S\$	2019 S\$
Cash and bank balances (as above)	8,814,014	6,919,743
Less: Pledged fixed deposits	(165,389)	(258,964)
	<u>8,648,625</u>	<u>6,660,779</u>
	=====	=====

Fixed deposits mature within 12 months (2019: 12 months) from the end of the reporting period and earn interest at the respective fixed deposit rates ranging from 0.25% to 1.08% (2019: 0.25% to 1.87%) per annum.

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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17. Cash and cash equivalents (cont'd)

Fixed deposit of S\$165,389 (2019: S\$258,964) is pledged to secure bankers' guarantees in lieu of rental deposit to securing a lease of premises from the landlord.

18. Amounts received in advance

This represents fund received from National Council of Social Service for the implementation of a software, the InfoCare System.

19. Other payables

	2020 S\$	2019 S\$
Refundable deposits	168,352	148,723
Sundry payables	423,895	599,373
Accruals	405,287	351,452
	<hr/>	<hr/>
Financial liabilities	997,534	1,099,548
Goods and service tax payable	48,897	18,937
	<hr/>	<hr/>
	1,046,431	1,118,485
	=====	=====

Sundry payables are non-trade in nature, unsecured, non-interest bearing and are generally on 30 days' terms. Included in sundry payables are S\$38,982 donated by National Council of Social Service (NCSS) for the purpose of purchase of horticulture and gardening equipment for the Horticulture Therapy program and renovation and purchase of furniture and equipment for newly relocated premise of Green Haven Halfway House.

20. Subscriptions received in advance

Subscriptions received in advance consist of advance payments for membership and sponsorship fees. Yearly membership fee and donor's sponsorship fee are S\$24 and S\$100, respectively.

21. Deferred capital grants

	2020 S\$	2019 S\$
Beginning of the year	1,742,646	1,958,682
Grants received during the year	13,500	27,000
Refund of unused funding	(24,180)	-
Amortisation charge for the year (Note 4)	(243,036)	(243,036)
	<hr/>	<hr/>
End of the year	1,488,930	1,742,646
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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21. Deferred capital grants (cont'd)

	2020 S\$	2019 S\$
Current	243,036	243,036
Non-current	1,245,894	1,499,610
	<u>1,488,930</u>	<u>1,742,646</u>
	=====	=====

In 2017, the Society relocated the Green Haven Halfway House located at 770 Jurong Road Singapore 649695 to 10 Admiralty Road East Singapore 759988. A grant of S\$2,360,687 was received from the Singapore Corporation of Rehabilitative Enterprises ("SCORE") Financial Assistance Scheme for cyclical maintenance work at the Green Haven Halfway House. The previous grant of S\$902,223 received in 2012, with an unamortised balance of S\$451,117 was written off to profit or loss in 2017 as the related property, plant and equipment at the old premises were disposed. During the year, the Society received an additional grant of S\$13,500 (2019: S\$27,000) for the beneficiaries served under Green Haven.

These capital grants are amortised over the useful lives of the related property, plant and equipment, which is 10 years.

22. Commitments

(a) Sponsorship to Kidney Dialysis Centre

The SBWS - NKF Dialysis Centre at Block 114, Hougang Avenue 1 is under the management of National Kidney Foundation. The Society has committed to sponsor the centre's yearly recurrent operating costs of up to S\$700,000 (2019: S\$700,000).

(b) Capital commitments

Capital expenditures contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	2020 S\$	2019 S\$
Property, plant and equipment	-	177,563
	=====	=====

23. Leases

The Society as a lessor

The Society sublets part of its premises to related parties under non-cancellable operating lease agreements. The leases have varying terms but no escalation clauses and renewal rights.

23. Leases (cont'd)The Society as a lessor (cont'd)

The future minimum rental receivables under non-cancellable operating leases at the end of the reporting period are as follows:

	2020 S\$	2019 S\$
Not later than 1 year	168,000	1,242,000
Between 1 year and 5 years	-	168,000
	<u>168,000</u>	<u>1,410,000</u>
	=====	=====

The Society as a lessee

The Society leases premises at 19 Compassvale Walk Singapore 544644 and 10 Admiralty Road East Singapore 759988 from the Singapore Land Authority under non-cancellable operating lease agreements. These leases have remaining lease terms of 34 and 21 months, respectively, with no contingent rent provision in the contract.

The future minimum lease payables under non-cancellable operating leases contracted for at the end of the reporting period but not recognised as liabilities are as follows:

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold buildings S\$
At 1 January 2020	1,140,198
Addition	2,742,388
Depreciation	(1,066,458)
At 31 December 2020	<u>2,816,128</u>
	=====

(b) Lease liabilities

The carrying amounts of lease liabilities are as follows and the maturity analysis of lease liabilities is disclosed in Note 26.

	2020 S\$	2019 S\$
Current	1,019,960	944,394
Non-current	1,814,677	218,664
	<u>2,834,537</u>	<u>1,163,058</u>
	=====	=====

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Notes to the Financial Statements
For the Financial Year Ended 31 December 2020

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23. Leases (cont'd)

The Society as a lessee (cont'd)

(c) Amounts recognised in profit or loss

	2020 S\$	2019 S\$
Depreciation of right-of-use assets	1,066,458	1,082,208
Interest expense on lease liabilities	69,156	76,030
Lease expense not capitalised in lease liabilities		
- Expense relating to short-term leases (included in administrative expense)	4,945	9,723
Total amount recognised in profit or loss	<u>1,140,559</u> =====	<u>1,167,961</u> =====

(d) Total cash outflow

The Society's had total cash outflows for leases of S\$1,140,066 (2019: S\$1,135,378) in 2020.

24. Columnar presentation of statement of financial position

A large majority of the assets and liabilities are attributable to the General Fund. All the assets of the funds are represented by cash balances and property, plant and equipment. Accordingly, the Society did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

25. Related party transactions

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

	2020 S\$	2019 S\$
Income from Grace Lodge (Note 7)	2,667,656	2,631,846
Income from Fu Hui Buddhist Cultural Centre (Note 7)	253,112	263,782
	<u>2,920,768</u> =====	<u>2,895,628</u> =====

Related parties comprise mainly entities which are controlled or significantly influenced by members of the Executive Committee.

25. Related party transactions (cont'd)

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Society. They include members of the Executive Committee and the following personnel:

Singapore Buddhist Welfare Services ("SBWS")

- | | |
|--|-----------------|
| 1. Director of Finance | Mr. Tee Tai Win |
| 2. Director of Administrative Management | Ms. Cindy Tang |
| 3. Director of Human Resource | Mr. Nicolas Ng |

Divisions of SBWS

- | | |
|---|-------------------------|
| 1. Green Haven | Mr. Lee Jun Jie |
| 2. Happy Villa | Ms. Joanne Liew |
| 3. Grace Child Development Centre | Ms. Norway Binte Mamsie |
| 4. Hearty Care Centre | Ms. Yeo Liu Bin |
| 5. Fu Hui Golden Care Centre | Ms. Soon Choon Wah |
| 6. SBWS Mobile Healthcare (TCM) Service and Fu Hui TCM Clinic | Ms. Sek Sern Ching |

No compensation is made to any members of the Executive Committee as their appointments are honorary. Compensation of other key management personnel included in staff costs are as follows:

	2020 S\$	2019 S\$
Short term employee benefits		
- SBWS	368,641	328,856
- Division of SBWS	468,941	333,313
Employer's contribution to Central Provident Fund		
- SBWS	41,289	36,071
- Division of SBWS	62,125	46,041
	<u>940,996</u>	<u>744,281</u>
	=====	=====

Number of key management personnel in remuneration band:

	2020	2019
S\$50,001 to S\$150,000	8	7
S\$50,000 and below	1	2
	<u>=====</u>	<u>=====</u>

26. Categories of financial assets and liabilities

The carrying amounts presented in the statements of financial position relate to the following categories of assets and liabilities:

	2020 S\$	2019 S\$
<u>Financial assets</u>		
Financial asset at amortised cost:		
Trade and other receivables	1,493,502	1,473,259
Cash and cash equivalents	8,814,014	6,919,743
	<u>10,307,516</u>	<u>8,393,002</u>
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Other payables	1,046,431	1,118,485
Lease liabilities	2,834,537	1,163,058
	<u>3,880,968</u>	<u>2,281,543</u>
	=====	=====

Further quantitative disclosures are included throughout these financial statements.

27. Financial risk management

The Society's activities expose it to a variety of financial risks from its operations. The key financial risks include credit risk and liquidity risk.

The Executive Committee reviews and agrees policies and procedures for managing each of these risks on an informal basis. It is, and has been, throughout the current and previous financial year, the Society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risk.

(a) 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 trade receivables and cash and cash equivalents. The Society minimises credit risk by dealing only with high credit quality counterparties.

27. Financial risk management (cont'd)**(a) Credit risk (cont'd)**

As the Society does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

At the end of the reporting period, approximately 97% (2019: 95%) of trade and other receivables were due from related parties.

Financial assets that are neither past due nor impaired

Trade and other receivables that are mainly with related parties. Cash and cash equivalents are placed with a reputable licensed bank in Singapore.

Financial assets that are past due and/or impaired

There are no classes of financial assets that are past due and/or impaired at the end of the reporting date.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds. The Society manages its liquidity risk by maintaining an adequate level of cash and cash equivalents. The Executive Committee is satisfied that funds are available to finance the operations of the Society.

The table below summarises the maturity profile of the Society's financial liabilities at the end of the reporting period based on contractual undiscounted payment obligation.

	1 year or less S\$	1 to 5 year S\$	Total S\$
<u>2020</u>			
Other payables	1,046,431	-	1,046,431
Lease liabilities	1,019,960	1,919,940	2,939,900
	<u>2,066,391</u>	<u>1,919,940</u>	<u>3,986,331</u>
	=====	=====	=====
<u>2019</u>			
Other payables	1,118,485	-	1,118,485
Lease liabilities	964,920	244,860	1,209,780
	<u>2,083,405</u>	<u>244,860</u>	<u>2,328,265</u>
	=====	=====	=====

28. Fair value of assets and liabilities

The carrying amounts of trade and other receivables, cash and cash equivalents and other payables are reasonable approximation of fair values due to their short-term nature.

29. Capital management

The Society's objectives when managing capital are to safeguard the Society's ability to continue as a going concern so that it can continue to provide delivery of its services and program activities to the public and its members.

The capital structure of the Society consists of accumulated fund, Fu Hui Link Building fund and Kidney Dialysis Centre fund, as shown in the statement of financial position. In order to maintain or adjust the capital structures, the Society may appeal for donation from the general public.

The Society reviews its accumulated fund at least once annually to ensure that the Society will be able to continue as a going concern. The Society's overall strategy remains unchanged from 2019.

The Society is not subject to any externally imposed capital requirements for the financial years ended 31 December 2020 and 2019.

30. Change 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 Society 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>
	Amendments to References to the Conceptual Framework in FRS Standards
FRS 1	Amendments to Presentation of Financial Statements
FRS 8	Amendments to Accounting Policies, Changes in Accounting Estimates and Errors (Definition of Material)
FRS 109	Amendments to Financial Instruments
FRS 107	Amendments to Financial Instruments: Disclosures (Interest Rate Benchmark Reform)

31. New standards and interpretations not yet adopted

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 Society 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.

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

The executive committee members expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.