

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

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2021

SINGAPORE BUDDHIST WELFARE SERVICES

(UEN: S81SS0060H)

(Registered in Singapore under the Societies Act)

FINANCIAL STATEMENTS - 31 DECEMBER 2021

	<u>PAGE NO</u>
Statement by the Executive Committee Members	1
Independent Auditor's Report	2 - 4
Statement of Profit or Loss and Other Comprehensive Income	5 - 7
Statement of Financial Position	8
Statement of Changes in Funds	9
Statement of Cash Flows	10 - 11
Notes to the Financial Statements	12 - 39

SINGAPORE BUDDHIST WELFARE SERVICES

Statement by the Executive Committee Members

1

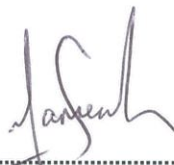
In the opinion of the Executive Committee:

- (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 2021 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

- 4 JUN 2022

SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2021

2

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 2021, 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 2021 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 2021

3

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.

ROBERT YAM & CO PAC

Incorporated with limited liability
UEN: 201833873N

SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2021

4

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

4 June 2022

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Profit or Loss and Other Comprehensive Income
For the Financial Year Ended 31 December 2021.**

	Note	2021				Total funds S\$	2020
		Unrestricted funds S\$	Fu Hui Link Building S\$	Restricted funds Kidney Dialysis Centre S\$	Green Haven S\$		
Income							
Voluntary income	5	4,380,571	-	752,925	1,275,322	6,408,818	
Fund-generating activities	6	1,753,982	-	-	-	1,753,982	
Investment income	7	4,876	-	-	82	4,958	
Income from related charitable entities	8	2,889,287	-	-	-	2,889,287	
Other income	9	596,911	-	-	37,429	634,340	
Total income		9,625,627	-	752,925	1,312,833	11,691,385	
Expenses							
Cost of generating fund							
Buffet, lunch and dinner		279	-	-	280	559	
Green delights		312,729	-	-	-	312,729	
Staff cost and emoluments	10	1,465,996	-	-	-	1,465,996	
Workshop expenses		58,919	-	-	9,794	68,713	
Total cost of generating fund		1,837,923	-	-	10,074	1,847,997	
Cost of generating voluntary income							
Event set up costs		375	-	-	-	375	
Hospitality & gifts		1,271	-	-	-	1,271	
Lunar new year celebration		20,577	-	-	-	20,577	
Memorial Service Late Venerable Yen Pei		720	-	-	-	720	
Staff cost and emoluments	10	2,496,815	-	-	-	2,496,815	
Total cost of generating voluntary income		2,519,758	-	-	-	2,519,758	

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Profit or Loss and Other Comprehensive Income (cont'd)
For the Financial Year Ended 31 December 2021**

	Note	2021				2020
		Unrestricted funds S\$	Fu Hui Link Building S\$	Kidney Dialysis Centre S\$	Green Haven S\$	
						Total funds S\$
Other expenditures (cont'd)						
Medical fee		18,349	-	-	1,245	19,594
Medical supply		16,908	-	-	4,896	21,804
Newspapers & periodicals		1,062	-	-	659	1,721
Postage & stamps		48,785	-	-	-	48,785
Printing & stationery		70,416	-	-	1,498	71,914
Rental expenses		8,264	-	-	9,474	17,738
Repair & maintenance		640,145	-	-	89,671	729,816
Recruit expenses		22,828	-	-	-	22,828
Services rendered		32,862	-	-	12,250	45,112
Small assets		5,795	-	-	1,437	7,232
Sundry		19,403	-	-	7,114	26,517
Telephone charges		15,024	-	-	1,502	16,526
Training fee		6,618	-	-	4,953	11,571
Transportation		1,194	-	-	312	1,506
Upkeep of motor vehicles		109,853	-	-	1,897	111,750
Unclaimed GST expenses		109,810	-	-	-	109,810
Water & light		431,492	-	-	41,732	473,224
		<u>3,213,461</u>	<u>707,304</u>	<u>-</u>	<u>628,776</u>	<u>4,549,541</u>
Total expenses		7,910,951	707,304	700,000	1,355,309	10,673,564
Net surplus/(deficit), representing total comprehensive income for the year		1,714,676	(707,304)	52,925	(42,476)	1,017,821

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

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Financial Position
As at 31 December 2021**

8

	Note	2021 S\$	2020 S\$
ASSETS			
Non-current assets			
Property, plant and equipment	13	43,801,932	46,191,957
Library books	14	10,340	10,340
		<u>43,812,272</u>	<u>46,202,297</u>
Current assets			
Inventories	15	31,948	24,048
Trade and other receivables	16	2,512,133	1,493,502
Other current assets	17	57,868	58,442
Cash and cash equivalents	18	10,109,285	8,814,014
		<u>12,711,234</u>	<u>10,390,006</u>
Total assets		<u>56,523,506</u> =====	<u>56,592,303</u> =====
FUNDS AND LIABILITIES			
Funds			
Unrestricted fund:			
Accumulated fund		42,371,369	40,656,693
Restricted funds:			
Fu Hui Link Building fund	12	9,542,851	10,250,155
Kidney Dialysis Centre fund	12	90,008	37,083
Green Haven		142,623	185,099
Total funds		<u>52,146,851</u> =====	<u>51,129,030</u> =====
Non-current liability			
Deferred capital grants	22	990,003	1,245,894
Lease liabilities	23	805,491	1,814,677
		<u>1,795,494</u>	<u>3,060,571</u>
Current liabilities			
Amounts received in advance	19	64,751	64,751
Other payables	20	1,230,471	1,046,431
Subscriptions received in advance	21	28,060	28,624
Deferred capital grants	22	243,036	243,036
Lease liabilities	23	1,014,843	1,019,860
		<u>2,581,161</u>	<u>2,402,702</u>
Net current assets		<u>10,130,073</u>	<u>7,987,304</u>
Total liabilities		<u>4,376,655</u>	<u>5,463,273</u>
Net assets		<u>52,146,851</u>	<u>51,129,030</u>
Total funds and liabilities		<u>56,523,506</u> =====	<u>56,592,303</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 2021**

	←	Restricted	→	
	Fu Hui Link Building Fund S\$	Kidney Dialysis Centre Fund S\$	Green Haven S\$	Total S\$
Balance at 1 January 2020	10,951,369	179,629	-	50,104,905
Net surplus/(deficit), representing total comprehensive income for the year	1,682,786	(142,546)	185,099	1,024,125
Balance at 31 December 2020	10,250,155	37,083	185,099	51,129,030
Net surplus/(deficit), representing total comprehensive income for the year	1,714,676	52,925	(42,476)	1,017,821
Balance at 31 December 2021	9,542,851	90,008	142,623	52,146,851

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 2021**

10

	Note	2021 S\$	2020 S\$
Cash flows from operating activities:			
Net surplus for the year		1,017,821	1,024,125
<u>Adjustments for:</u>			
Depreciation expense	13	2,642,870	2,649,518
Amortisation of deferred capital grants	5	(243,036)	(243,036)
Fixed deposits interest income	7	(4,958)	(15,409)
Interest expenses		115,718	69,156
Operating cash flow before working capital changes		3,528,415	3,484,354
<u>Changes in working capital:</u>			
Inventories		(7,900)	(2,751)
Trade and other receivables		(1,018,631)	(20,243)
Other current assets		574	12,947
Other payables		184,040	(72,054)
Subscriptions received in advance		(564)	3,272
Net cash from operating activities		2,685,934	3,405,525
Cash flows from investing activities:			
Purchase of property, plant and equipment	13	(252,845)	(375,917)
Government grants received	22	-	13,500
Refund of government grants	22	(12,855)	(24,180)
Fixed deposits interest received		4,958	15,409
Increase in pledged fixed deposits		(725)	(31,311)
Net cash used in investing activities		(261,467)	(402,499)
Cash flows from financing activities:			
Lease payments		(1,129,921)	(1,140,066)
Net cash used in financing activities		(1,129,921)	(1,140,066)
Net increase in cash and cash equivalents		1,294,546	1,862,960
Cash and cash equivalents at beginning of year		8,523,739	6,660,779
Cash and cash equivalents at end of year	18	9,818,285 =====	8,523,739 =====

SINGAPORE BUDDHIST WELFARE SERVICES**Statement of Cash Flows (cont'd)
For the Financial Year Ended 31 December 2021****11**Reconciliation of liabilities arising from financing activities

(in S\$)	1 January 2021	Cash flows	Non-cash changes		31 December 2021
			Lease renewal	Interest expense	
Lease liabilities	2,834,537	(1,129,921)	-	115,718	1,820,334

(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

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

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 2021 were authorised for issue by the Executive Committee on 4 June 2022.

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. Basis of preparation (cont'd)**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. Significant accounting policies (cont'd)

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.

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.

3. Significant accounting policies (cont'd)

3.3 Financial instruments (cont'd)

Recognition and derecognition of financial instruments (cont'd):

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.

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. Significant accounting policies (cont'd)

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.

3.8 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.

3. Significant accounting policies (cont'd)

3.9 Leases (cont'd)

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).

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.

3. Significant accounting policies (cont'd)

3.9 Leases (cont'd)

Lease liabilities (cont'd)

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.

3.11 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.

3. Significant accounting policies (cont'd)

3.11 Revenue recognition (cont'd)

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.

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.

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

4. Significant accounting judgments and estimates

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Management is of the opinion that there is no significant judgement made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

5. Voluntary income

	2021	2020
	S\$	S\$
<u>Unrestricted</u>		
Donation box	224,338	141,303
Donations received	856,596	879,757
Donations for Healthcare Bus	3,075	1,310
Donations for Happy Villa	239,278	170,203
Donations for Meal Scheme	50,468	47,389
Donations for Green Haven	(100)	1,160
Tax-exempt donations received	1,704,052	1,577,127
Subsidy from Community Development Council	21,600	21,600
Government funding	1,281,264	223,366
	<u>4,380,571</u>	<u>3,063,215</u>

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2021

21

5. Voluntary income (cont'd)

	2021	2020
	S\$	S\$
<u>Restricted</u>		
Contributions received for Fu Hui Link Building Fund	-	6,090
Contributions received for Kidney Dialysis Centre Fund	752,925	557,454
Amortisation of deferred capital grants (Note 22)	243,036	243,036
Donation received	13,848	-
Government funding	1,018,438	1,462,062
	<u>2,028,247</u>	<u>2,268,642</u>
	<u>6,408,818</u>	<u>5,331,857</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\$2,084,588 (2020: S\$1,833,952).

6. Income from fund-generating activities

	2021	2020
	S\$	S\$
Ordinary sponsorship subscription	18,200	12,400
Ordinary membership subscription	23,208	22,727
Registration fee	6,163	7,286
Fee collected	1,567,500	1,603,194
Gain on sale of uniforms and mattress	2,158	3,849
Marriage education and enrichment program	1,120	280
Holiday programs and healthcare bus income	110,017	16,525
Fu Hui Golden Care income	25,616	83,636
	<u>1,753,982</u>	<u>1,749,897</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

22

7. Investment income		
	2021	2020
	S\$	S\$
<u>Unrestricted</u>		
Fixed deposit interest income	4,876	15,265
<u>Restricted</u>		
Fixed deposit interest income	82	144
	<u>4,958</u>	<u>15,409</u>
	=====	=====
8. Income from related charitable entities		
	2021	2020
	S\$	S\$
Income from Grace Lodge		
- Rental	2,161,114	2,153,188
- Water and light	218,131	165,356
- Shared service	96,000	96,000
Income from Fu Hui Buddhist Cultural Centre		
- Rental	180,000	180,000
- Water and light	39,485	25,112
- Shared service	48,000	48,000
Income from vending machines	628	1,018
Income from Green delights	148,228	178,250
Income from Fu Hui Link Building Carpark	(2,299)	-
	<u>2,889,287</u>	<u>2,846,924</u>
	=====	=====
9. Other income		
	2021	2020
	S\$	S\$
<u>Unrestricted</u>		
Foreign worker levy rebate	-	24,750
Job support scheme	194,724	861,473
Special employment credit	22,381	30,980
Wage credit scheme	76,075	76,420
Rental rebates	249,485	330,000
Miscellaneous	54,246	1,685
	<u>596,911</u>	<u>1,325,308</u>
<u>Restricted</u>		
Rental rebates	37,429	-
	<u>634,340</u>	<u>1,325,308</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2021

23

10. Staff costs and emoluments	2021 S\$	2020 S\$
<u>Unrestricted</u>		
Salaries and bonuses	3,427,994	3,440,633
Staff incentive	4,784	12,717
CPF & SDL	466,304	470,804
Foreign workers' levy	63,729	62,888
	<u>3,962,811</u>	<u>3,987,042</u>
<u>Restricted</u>		
Salaries and bonuses	515,936	491,338
CPF and SDL	78,582	75,006
	<u>594,518</u>	<u>566,344</u>
	<u>4,557,329</u>	<u>4,553,386</u>
	=====	=====
 Average number of employees	 96	 111
	=====	=====
 11. Welfare fund distributed		
	2021 S\$	2020 S\$
SBWS – NKF Dialysis Centre (Note 23)	700,000	700,000
Public assistance fund	61,590	55,980
Free meal scheme program	36,000	36,000
Funeral fund expenses	6,000	-
Vesak Day - ang pao for the poor and needy	43,590	7,410
Outright donation	300	600
	<u>847,480</u>	<u>799,990</u>
	=====	=====

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

SINGAPORE BUDDHIST WELFARE SERVICES**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

24

12. 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.

	2021 S\$	2020 S\$
Beginning of the year	10,250,155	10,951,369
Add: Funds received during the year	-	6,090
Less: Utilisation of funds during the year	(707,304)	(707,304)
End of the year	<u>9,542,851</u> =====	<u>10,250,155</u> =====

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.

	2021 S\$	2020 S\$
Beginning of the year	37,083	179,629
Add: Funds received during the year	752,925	557,454
Less: Utilisation of funds during the year	(700,000)	(700,000)
End of the year	<u>90,008</u> =====	<u>37,083</u> =====

Green Haven

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

	2021 S\$	2020 S\$
Beginning of the year	185,099	-
Add: Funds received during the year	1,312,833	1,503,562
Less: Utilisation of funds during the year	(1,355,309)	(1,318,463)
End of the year	<u>142,623</u> =====	<u>185,099</u> =====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

13. Property, plant and equipment

	Leasehold land & building S\$	Statues S\$	Renovation S\$	Organic farming equipment S\$	Furniture & fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
Cost									
At 01.01.2021	55,041,645	130,493	5,998,608	25,914	614,968	1,421,802	838,319	454,617	64,526,366
Additions	-	-	115,269	-	14,530	123,046	-	-	252,845
At 31.12.2021	55,041,645	130,493	6,113,877	25,914	629,498	1,544,848	838,319	454,617	64,779,211
Accumulated depreciation									
At 01.01.2021	14,235,482	72,615	2,114,211	25,914	431,385	835,238	619,564	-	18,334,409
Charge for the year	2,034,801	2,610	377,080	-	33,412	105,266	89,701	-	2,642,870
At 31.12.2021	16,270,283	75,225	2,491,291	25,914	464,797	940,504	709,265	-	20,977,279
Net carrying amount									
At 31.12.2021	38,771,362	55,268	3,622,586	-	164,701	604,344	129,054	454,617	43,801,932

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

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

	Leasehold land & building S\$	Statues S\$	Renovation S\$	Organic farming equipment S\$	Furniture & fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
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	3,884,397	-	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 2021

27

13. 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.

14. Library books

	2021 S\$	2020 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.

15. Inventories

	2021 S\$	2020 S\$
Medicines	19,853	17,747
Uniforms and T-shirts	9,823	3,804
Vests	2,172	2,172
Mattress	100	325
	<u>31,948</u> =====	<u>24,048</u> =====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

28

16. Trade and other receivables

	2021 S\$	2020 S\$
Trade receivables – related parties	2,453,787	1,452,672
Trade receivables – non related parties	5,373	835
Refundable deposits	41,222	27,682
Fixed deposit interest receivable	11,751	12,313
	<u>2,512,133</u>	<u>1,493,502</u>
	=====	=====

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.

17. Other current assets

	2021 S\$	2020 S\$
Prepayments	57,868	58,442
	<u>57,868</u>	<u>58,442</u>
	=====	=====

18. Cash and cash equivalents

	2021 S\$	2020 S\$
Cash at bank	8,749,627	7,466,951
Cash on hand	2,053	1,522
Fixed deposits	1,357,605	1,345,541
	<u>10,109,285</u>	<u>8,814,014</u>
	=====	=====
Comprising:		
Cash at bank restricted under		
- Green Haven	41,949	165,389
Cash on hand restricted under		
- Green Haven	712	349
Not restricted in use	10,066,624	8,648,276
	<u>10,109,285</u>	<u>8,814,014</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2021

29

18. Cash and cash equivalents (cont'd)

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

	2021 S\$	2020 S\$
Cash and bank balances (as above)	10,109,285	8,814,014
Less: Pledged fixed deposits	(291,000)	(290,275)
	<u>9,818,285</u>	<u>8,523,739</u>
	=====	=====

Fixed deposits mature within 12 months (2020: 12 months) from the end of the reporting period and earn interest at the respective fixed deposit rates ranging from 0.10% to 0.28% (2020: 0.25% to 1.08%) per annum.

Fixed deposit of S\$291,000 (2020: S\$290,275) is pledged to secure bankers' guarantees in lieu of rental deposit to securing a lease of premises from the landlord.

19. Amounts received in advance

This represents fund received from National Council of Social Service for the implementation of a software, the InfoCare System. There is no utilisation of fund during the year.

20. Other payables

	2021 S\$	2020 S\$
Refundable deposits	180,516	168,352
Sundry payables	537,716	423,895
Accruals	462,434	405,287
	<u>1,180,666</u>	<u>997,534</u>
Financial liabilities	1,180,666	997,534
Goods and service tax payable	49,805	48,897
	<u>1,230,471</u>	<u>1,046,431</u>
	=====	=====

Refundable deposit relate to deposits received for service rendered by Grace Child Development Centre.

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.

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2021

30

21. 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.

22. Deferred capital grants

	2021 S\$	2020 S\$
Beginning of the year	1,488,930	1,742,646
Grants received during the year	-	13,500
Refund of unused funding	(12,855)	(24,180)
Amortisation charge for the year (Note 5)	(243,036)	(243,036)
End of the year	<u>1,233,039</u> =====	<u>1,488,930</u> =====
Current	243,036	243,036
Non-current	990,003	1,245,894
	<u>1,233,039</u> =====	<u>1,488,930</u> =====

In 2017, the Society relocated the Green Haven Halfway House 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 did not received an additional grant during the year and (2020: S\$13,500) was received in prior years 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.

23. 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 (2020: S\$700,000).

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2021

31

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.

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

	2021 S\$	2020 S\$
Not later than 1 year	168,000	168,000
Between 1 year and 5 years	-	-
	<u>168,000</u>	<u>168,000</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:

23. Leases (cont'd)The Society as a lessee (cont'd)**(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)
	<hr/>
At 31 December 2020	2,816,128
Depreciation	(1,043,436)
	<hr/>
At 31 December 2021	1,772,692
	=====

(b) Lease liabilities

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

	2021 S\$	2020 S\$
Current	1,014,843	1,019,860
Non-current	805,491	1,814,677
	<hr/>	<hr/>
	1,820,334	2,834,537
	=====	=====

(c) Amounts recognised in profit or loss

	2021 S\$	2020 S\$
Depreciation of right-of-use assets	1,043,436	1,066,458
Interest expense on lease liabilities	115,718	69,156
Lease expense not capitalised in lease liabilities		
- Expense relating to short-term leases (included in administrative expense)	17,738	4,945
	<hr/>	<hr/>
Total amount recognised in profit or loss	1,176,892	1,140,559
	=====	=====

23. Leases (cont'd)The Society as a lessee (cont'd)**(d) Total cash outflow**

The Society's had total cash outflows for leases of S\$1,129,921 (2020: S\$1,140,066) in 2021.

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:

	2021 S\$	2020 S\$
Income from Grace Lodge (Note 8)	2,475,245	2,667,656
Income from Fu Hui Buddhist Cultural Centre (Note 8)	267,845	253,112
	<u>2,743,090</u>	<u>2,920,768</u>
	=====	=====

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

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

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2021**

34

25. Related party transactions (cont'd)

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. Chin Siew Khoon
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:

	2021 S\$	2020 S\$
Short term employee benefits		
- SBWS	371,675	368,641
- Division of SBWS	398,487	468,941
Employer's contribution to Central Provident Fund		
- SBWS	38,986	41,289
- Division of SBWS	46,912	62,125
	<u>856,060</u>	<u>940,996</u>
	=====	=====

Number of key management personnel in remuneration band:

	2021	2020
S\$50,001 to S\$150,000	7	8
S\$50,000 and below	2	1
	=====	=====

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:

	2021 S\$	2020 S\$
<u>Financial assets</u>		
Financial asset at amortised cost:		
Trade and other receivables	2,512,133	1,493,502
Cash and cash equivalents	10,109,285	8,814,014
	<u>12,621,418</u>	<u>10,307,516</u>
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Other payables	1,229,971	1,046,431
Lease liabilities	1,820,334	2,834,537
	<u>3,050,305</u>	<u>3,880,968</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.

27. Financial risk management (cont'd)

(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.

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 98% (2020: 97%) of trade and other receivables were due from related parties.

For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12-month ECL (or lifetime ECL for loan receivables), unless the assets are considered credit impaired.

Cash is held with creditworthy institutions and is subject to immaterial credit loss.

(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.

27. Financial risk management (cont'd)**(b) Liquidity risk (cont'd)**

	1 year or less S\$	1 to 5 year S\$	Total S\$
<u>2021</u>			
Other payables	1,229,971	-	1,229,971
Lease liabilities	1,094,940	825,000	1,919,940
	<u>2,324,911</u>	<u>825,000</u>	<u>3,149,911</u>
	=====	=====	=====
<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>
	=====	=====	=====

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.

29. Capital management (cont'd)

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 2020.

The Society is not subject to any externally imposed capital requirements for the financial years ended 31 December 2021 and 2020.

30. Change and adoption of financial reporting standards

The accounting policies adopted are consistent with those of the previous year except that in the current financial year, the Society has adopted all the new and amended standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards does not result in changes to the Society's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

FRS effective for annual period beginning on or after 1 January 2021

The following standards and interpretations are effective for annual period beginning on or after 1 January 2021:

FRS

- Amendments to References to the Conceptual Framework in FRS Standards
- Amendments to FRS 1 and FRS 8 Definition of Material
- Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 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. 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. Those applicable to the Society for future reporting years are listed below.

31. New standards and interpretations not yet adopted (cont'd)

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
Amendments to FRS 1 Presentation of Financial Statements and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8 Accounting Policies, Changes in Accounting Estimates and Error: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a single transaction	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.