

SINGAPORE BUDDHIST WELFARE SERVICES
(Unique Entity No.: S81SS0060H)
(Registered in Singapore under the Societies Act 1996,
Charities Act 1994 and
Institution of Public Character)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2022

SINGAPORE BUDDHIST WELFARE SERVICES

(Unique Entity No.: S81SS0060H)

**(Registered In Singapore under the Societies Act 1996, Charities Act 1994 and
Institution of Public Character)**

FINANCIAL STATEMENTS - 31 DECEMBER 2022

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SINGAPORE BUDDHIST WELFARE SERVICES

Statement by Management Committee

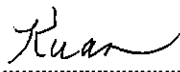
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In the opinion of the Management Committee:

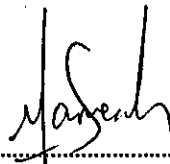
- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and statement of cash flows together with the notes thereto are drawn up so as to present fairly, in all material respects, the state of affairs of Singapore Buddhist Welfare Services (the "Charity") as at 31 December 2022 and the results, changes in funds and cash flows of the Charity for the financial year ended on that date; and

- (b) at the date of this statement, there are reasonable grounds to believe that the Charity will be able to pay its debts as and when they fall due.

On behalf of the Management Committee



.....
Kuan Yan
President



.....
Seah Li Kheng Marie
Honorary Secretary



.....
Chew Heng Tuan
Honorary Treasurer

30 JUN 2023

ROBERT YAM & CO PAC

Public Accountants, Singapore
Chartered Accountants of Singapore
Consultants & Business Advisers



UEN: 201833873N
Incorporated with
limited liability

SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2022

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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 "Charity"), which comprise the statement of financial position as at 31 December 2022, and the statement of 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 Societies Act 1966, (the "Societies Act"), the Charities Act 1994 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 Charity as at 31 December 2022 and the results, changes in funds and cash flows of the Charity for the financial 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 Charity 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

The Management Committee is responsible for the other information. The other information comprises Statement by Management Committee and the information included in the Annual Report 2022, 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.

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SINGAPORE BUDDHIST WELFARE SERVICES

Independent Auditor's Report For the Financial Year Ended 31 December 2022

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

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

The Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as the Management Committee 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, the Management Committee is responsible for assessing the Charity'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 Committee either intends to liquidate the Charity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 Charity 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 2022

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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 Charity 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 financial year:

- (a) the Charity 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 Charity has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.



Robert Yam & Co PAC
Public Accountants and
Chartered Accountants
Singapore

30 JUN 2023

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Other Comprehensive Income
For the Financial Year Ended 31 December 2022**

	Note	2022				2021
		Unrestricted funds S\$	Fu Hui Link Building S\$	Restricted funds Kidney Dialysis Centre S\$	Green Haven S\$	
Income						
Voluntary income	5	3,800,440	289,571	678,852	1,351,699	7,116,122
Fund-generating activities	6	1,885,972	-	-	-	1,753,982
Investment income	7	30,926	-	-	58	4,958
Income from related charitable entities	8	3,390,613	-	-	179	2,889,287
Other income	9	-	-	-	-	634,340
Total income		9,107,951	289,571	678,852	1,351,936	12,398,689
Expenses						
Cost of generating voluntary income						
Event set up costs		3,965	-	-	-	3,965
Hospitality & gifts		3,699	-	-	38	3,737
Licence and subscription		9,250	-	-	-	9,250
Lunar new year celebration		-	-	-	-	-
Memorial Service Late Venerable Yen Pei		-	-	-	-	720
Meal and refreshments		83,725	-	-	74,028	157,753
Staff cost and emoluments	10	1,654,550	-	-	453,415	2,107,965
Staff cost - SDF	10	4,133	-	-	1,175	5,308
Staff cost - FWL		63,881	-	-	-	63,881
Staff cost - CPF	10	221,992	-	-	81,579	303,571
Staff cost - bonus	10	350,258	-	-	77,122	427,380
Welfare Fund distributed		104,720	-	700,000	-	804,720
Total cost of generating voluntary income		2,500,173	-	700,000	687,357	3,887,530
						4,080,214

Total funds
S\$
Restated
(Note 30)

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Other Comprehensive Income (cont'd)
For the Financial Year Ended 31 December 2022**

	Note	2022				2021
		Unrestricted funds S\$	Fu Hui Link Building S\$	Restricted funds Kidney Dialysis Centre S\$	Green Haven S\$	
Cost of generating fund						
Buffet, lunch and dinner		-	-	-	-	559
Cost of mattress		976	-	-	-	-
Cost of medicines		189,592	-	-	-	-
Cost of uniforms/t-shirts		5,124	-	-	-	-
Green delights		177,841	-	-	-	312,729
Meals and refreshment		9,692	-	-	462	-
Staff cost and emoluments	10	1,973,191	-	-	-	1,465,996
Workshop expenses		-	-	-	-	68,713
Total cost of generating fund		2,356,416	-	-	462	1,847,997
						Restated (Note 30)
						68,713
						1,847,997

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Other Comprehensive Income (cont'd)
For the Financial Year Ended 31 December 2022**

	← 2022 →	→ 2021			
Note	← Restricted funds →	→			
	Fu Hui Link Building S\$	Kidney Dialysis Centre S\$	Green Haven S\$	Total funds S\$	Total funds S\$ Restated (Note 30)
Other expenditures (cont'd)					
Medical fee	13,656	-	1,111	14,767	19,594
Medical supply	8,673	-	1,530	10,203	21,804
Newspapers & periodicals	981	-	654	1,635	1,721
Postage & stamps	24,316	-	-	24,316	48,785
Printing & stationery	58,824	-	638	59,462	71,914
Rental expenses	7,944	-	9,815	17,759	17,738
Repair & maintenance	396,117	-	58,470	454,587	729,816
Repair & maintenance - cleaning	239,362	-	155	239,517	-
Repair & maintenance - security	276,312	-	63,238	339,550	-
Recruit expenses	6,789	-	-	6,789	22,828
Services rendered	24,860	-	16,795	41,655	45,112
Small assets	37,559	-	573	38,132	7,232
Sundry	8,594	-	11,446	20,040	26,517
Telephone charges	14,920	-	1,502	16,422	16,526
Training fee	4,230	-	3,693	7,923	11,571
Transportation	424	-	1,044	1,468	1,506
Upkeep of motor vehicles	89,836	-	1,811	91,647	111,750
Unclaimed GST expenses	152,707	-	-	152,707	109,810
Water and electricity	622,420	-	37,601	660,021	473,224
	4,347,870	289,571	625,832	5,263,273	4,549,541
Total expenses	9,407,140	289,571	1,362,481	11,759,192	10,673,564
Net (deficits)/surplus, representing total comprehensive income for the year	(299,189)	-	(21,148)	(330,882)	1,725,125

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

SINGAPORE BUDDHIST WELFARE SERVICES

**Statement of Financial Position
As at 31 December 2022**

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	Note	31.12.2022 S\$	31.12.2021 S\$ Restated (Note 30)	01.01.2021 S\$ Restated (Note 30)
ASSETS				
Non-current assets				
Property, plant and equipment	12	41,493,163	43,801,932	46,191,957
Library books	13	10,340	10,340	10,340
		<u>41,503,503</u>	<u>43,812,272</u>	<u>46,202,297</u>
Current assets				
Inventories	14	37,956	31,948	24,048
Trade and other receivables	15	1,246,277	2,512,133	1,493,502
Other current assets	16	58,984	57,868	58,442
Cash and cash equivalents	17	12,122,611	10,109,285	8,814,014
		<u>13,465,828</u>	<u>12,711,234</u>	<u>10,390,006</u>
Total assets		<u>54,969,331</u> =====	<u>56,523,506</u> =====	<u>56,592,303</u> =====
FUNDS AND LIABILITIES				
Funds				
Unrestricted fund:				
Accumulated fund		39,347,854	39,647,043	38,350,100
Restricted funds:				
Kidney Dialysis Centre fund	11	68,860	90,008	37,083
Green Haven	11	132,078	142,623	185,099
Total funds		<u>39,548,792</u> =====	<u>39,879,674</u> =====	<u>38,572,282</u> =====
Non-current liability				
Deferred capital grants - Fu Hui Link				
Building fund	21	11,688,035	11,977,606	12,267,177
Deferred capital grants - Score financial assistance	21	744,477	990,003	1,245,894
Lease liabilities	23	211,399	805,491	1,814,677
		<u>12,643,911</u>	<u>13,773,100</u>	<u>15,327,748</u>

SINGAPORE BUDDHIST WELFARE SERVICES**Statement of Financial Position (cont'd)
As at 31 December 2022****10**

	Note	31.12.2022 S\$	31.12.2021 S\$ Restated (Note 30)	01.01.2021 S\$ Restated (Note 30)
FUNDS AND LIABILITIES (cont'd)				
Current liabilities				
Deferred capital grants - Fu Hui Link				
Building fund	21	289,571	289,571	289,571
Amounts received in advance	18	64,751	64,751	64,751
Other payables	19	1,205,244	1,230,471	1,046,431
Subscriptions received in advance	20	28,440	28,060	28,624
Deferred capital grants - Score financial assistance	21	243,036	243,036	243,036
Lease liabilities	23	945,586	1,014,843	1,019,860
		<u>2,776,628</u>	<u>2,870,732</u>	<u>2,692,273</u>
Net current assets		<u>10,680,200</u>	<u>9,840,502</u>	<u>7,697,773</u>
Total liabilities		<u>15,420,539</u>	<u>16,643,832</u>	<u>18,020,021</u>
Net assets		<u>39,548,792</u>	<u>39,879,674</u>	<u>38,572,282</u>
Total funds and liabilities		<u>54,969,331</u>	<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 2022**

	Restricted					Total S\$
	←	Fu Hui Link Building Fund S\$	Kidney Dialysis Centre Fund S\$	Green Haven S\$	→	
Accumulated Fund S\$						
Balance at 1 January 2021	40,656,693	-	37,083	185,099	40,878,875	
Prior year adjustments (Note 30)	(2,306,593)	-	-	-	(2,306,593)	
Balance at 1 January 2021 (Restated - Note 30)	38,350,100	-	37,083	185,099	38,572,282	
Net surplus/(deficit), representing total comprehensive income for the year	1,714,676	-	52,925	(42,476)	1,725,125	
Prior year adjustments of over-provision of amortisation (Note 30)	(707,304)	-	-	-	(707,304)	
Prior year adjustments to provide correct amortisation (Note 30)	289,571	-	-	-	289,571	
Balance at 31 December 2021 (Restated - Note 30)	(417,733)	-	-	-	(417,733)	
Net deficits, representing total comprehensive income for the year	39,647,043	-	90,008	142,623	39,879,674	
	(299,189)	-	(21,148)	(10,545)	(330,882)	
Balance at 31 December 2022	39,347,854	-	68,860	132,078	39,548,792	

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 2022**

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	Note	2022 S\$	2021 S\$ Restated (Note 30)
Cash flows from operating activities:			
Net (deficits)/surplus for the financial year		(330,882)	1,725,125
Adjustments for:			
Depreciation expense	12	2,920,280	2,642,870
Amortisation of deferred capital grants and government funding	5	(556,426)	(950,340)
Fixed deposits interest income	7	(30,984)	(4,958)
Interest expenses		75,955	115,718
Operating cash flow before working capital changes		2,077,943	3,528,415
Changes in working capital:			
Inventories		(6,008)	(7,900)
Trade and other receivables		1,265,855	(1,018,631)
Other current assets		(1,116)	574
Other payables		(1,407)	184,040
Subscriptions received in advance		380	(564)
Net cash from operating activities		3,335,647	2,685,934
Cash flows from investing activities:			
Renewal for right-of-use assets		(390,916)	-
Purchase of property, plant and equipment	12	(220,595)	(252,845)
Refund of government grants	21	(2,490)	(12,855)
Fixed deposits interest received		30,984	4,958
Decrease/(increase) in pledged fixed deposits		43,500	(725)
Net cash used in investing activities		(539,517)	(261,467)
Cash flows from financing activities:			
Lease payments		(1,033,914)	(1,014,203)
Interest paid		(75,955)	(115,718)
Lease renewal		370,565	-
Net cash used in financing activities		(739,304)	(1,129,921)
Net increase in cash and cash equivalents		2,056,826	1,294,546
Cash and cash equivalents at beginning of year		9,818,285	8,523,739
Cash and cash equivalents at end of year	17	11,875,111	9,818,285

SINGAPORE BUDDHIST WELFARE SERVICES**Statement of Cash Flows (cont'd)
For the Financial Year Ended 31 December 2022****13**Reconciliation of liabilities arising from financing activities

(in S\$)	1 January 2022	Cash flows	Non-cash changes		31 December 2022
			Lease renewal	Interest expense	
Lease liabilities	1,820,334	(1,109,869)	370,565	75,955	1,156,985

(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

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 2022

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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 "Charity") is registered and domiciled in Singapore. The Charity is an approved Institution of Public Character (IPC).

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

The principal activities of the Charity 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 2022 were authorised for issue by the Management Committee on

2. Basis of preparation

2.1 Statement of compliance

These financial statements have been prepared in accordance with the Societies Act, the Charities Act and Regulations and FRSs.

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 dollar, which is the Charity's functional currency.

3. Significant accounting policies**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 and 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 Charity 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 Charity 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.

3. Significant accounting policies (cont'd)

3.3 Financial Instruments (cont'd)

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 Impairment of financial assets

The Charity recognises an allowance for expected credit losses (ECLs) for financial assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Charity expects to receive, discounted at an approximation of the original effective interest rate.

The impairment methodology applied depends on whether there has been a significant increase in credit risk. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

3. Significant accounting policies (cont'd)

3.4 Impairment of financial assets (cont'd)

If the Charity has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period and determines at the current reporting period date that the conditions for lifetime ECL no longer exist, the Charity measures the loss allowance at an equal to 12 months ECL at the current reporting date.

For trade receivables that do not have a significant financing component, the Charity applies a simplified approach to recognise a loss allowance based on lifetime ECL at each reporting date. The Charity assessed ECL based on its historical loss experience adjusted as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environments.

The Charity recognises an impairment gain or loss in income or expenditure for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

3.5 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.

3.6 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

3.7 Provisions

Provisions are recognised when the Charity 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. 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 Charity 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 lessor

For a lessor, each lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and reward incidental to ownership of an underlying asset. Rental income from operating lease is recognised in the Statement of Other Comprehensive Income on a straight line basis over the terms of the relevant lease unless another systematic basis is representative of the pattern of the user's benefit, even if the payments are not on that basis.

As lessee

The Charity applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Charity 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 Charity 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 Charity 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 Charity'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 Charity 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 Charity and payments of penalties for terminating the lease. If the lease term reflects the Charity 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 Charity 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 Charity'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.

3. Significant accounting policies (cont'd)

3.10 Employee benefits (cont'd)

(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 Income recognition

Income comprises the fair value of the consideration received or receivable for the sale of goods and rendering services, net of goods and service tax ("GST") and government grants, after eliminating inter-divisions transactions.

(a) School Fees

The Charity offers infant care, pre-school programmes and after-school care services for children up to age 12. Such services are recognised as a performance obligation satisfied overtime. Revenue from these services is recognised over the duration of the period in which the services is provided, having regard to the stage of completion of the service. Management has assessed that the stage of completion determined as the proportion of the total periods in which the service has been provided for the financial year as an appropriate measure of progress towards complete satisfaction of these performance obligation under FRS 115 Revenue from contracts with customers.

(b) Sales in vegetarian cafe and catering income

The Charity operates a cafe and kitchen providing catering in vegetarian meals.

The Charity transfer control and recognises a sale when they deliver goods to their customers.

No element of financing is deemed present as the sales are either cash sales or made with a credit term of 30 days, which is consistent with market practice. A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

3. Significant accounting policies (cont'd)

3.11 Income recognition (cont'd)

(c) Rental, utility and share services

The Charity renders rental, utility and shared services in manpower to related parties. Such services are recognised as a performance obligation satisfied over time. Revenue from these services is recognised over the duration in the period in which the service is rendered. Management has assessed the monthly performance of these services that has elapsed for the financial year as an appropriate measure of progress toward complete satisfaction of these performance obligation under FRS 115 Revenue from Contracts with customers.

(d) Patient Service Charge

The Charity operates a senior care centre for dementia. It also operates maintenance and rehabilitation services to benefit the elderly.

Revenue from patient service is recognised when the services performed satisfies a performance obligation (PO) by completion of significant act and/or transferring control of a promised service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

Transaction price is allocated to each PO in the contract on the basis of the relative standalone selling prices of the promised services. The individual standalone selling prices of a service that has not previously been sold on a standalone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to services with observable standalone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Charity expects to be entitled to in exchange for transferring the promised services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

3. Significant accounting policies (cont'd)

3.11 Income recognition (cont'd)

(e) Sales of traditional medicinal products and services

The Charity operates a TCM clinic and bus to provide traditional medical products and acupuncture services to the sick, elderly or needy.

The Charity transfers control and recognises a sale when they deliver goods or perform services to their customers on an affordable rates. No element of financing is deemed present as the sales are either cash sales or made with a credit term of 30 days, which is consistent with the market practice. A receivable is recognised with the goods or services are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

(f) Donations are recognised on a receipt basis .

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

(h) Membership subscriptions are recognised as income when due and receivable.

3.12 Government grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to purchase or maintenance of property, plant and equipment, the fair value is recognised in deferred capital grant on the balance sheet and is amortised in accordance with the expected useful life of the property, plant and equipment acquired using the grants.

When the grant relates to an expenditure item, it is recognised over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

3.13 Income tax

The Charity is a registered charity under the Charities Act and is exempt from income tax under the provision of the Income Tax Act 1947.

3. Significant accounting policies (cont'd)

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 for donations/funds 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 Charity'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 building is charged to the fund. It will be exhausted when the 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 Charity has committed to sponsor the centre's yearly recurrent operating costs of up to S\$700,000 (2021: S\$700,000).

Green Haven Fund - Score financial assistance

In 2017 and 2018, the Charity relocated the Green Haven Halfway House at 770 Jurong Road Singapore 649695 to 10 Admiralty Road East Singapore 759988. A total grant of S\$2,430,361 was received from the Singapore Corporation of Rehabilitative Enterprises ("SCORE") Financial Assistance Scheme for cyclical maintenance work at the Green Haven Halfway House in 2017 and 2018. 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 Charity received S\$5,400 an additional grant for the beneficiaries served under Green Haven.

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

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Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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3. Significant accounting policies (cont'd)

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 financial statements in conformity with FRSs requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of income and expenditure during the financial year. Although these estimates and assumptions are based on management's best knowledge of current events, actions, historical experiences and various other factors that one believe to be reasonable under the circumstances, actual results may ultimately differ from those estimates and assumptions. The Management Committee is of the opinion that there is no significant judgement made in applying accounting policies. The Management Committee is also of the opinion that there is no uncertainty in estimation that has a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

5. Voluntary income

	2022 S\$	2021 S\$ Restated (Note 30)
<u>Unrestricted</u>		
Donation box	294,536	224,338
Donations received	986,974	856,596
Donations for Healthcare Bus	9,385	3,075
Donations for Happy Villa	232,103	239,278
Donations for Meal Scheme	631,501	50,468
Donations for Green Haven	-	(100)
Tax-exempt donations received	1,231,125	1,704,052
Subsidy from Community Development Council	19,000	21,600
Government funding	395,816	1,281,264
	<u>3,800,440</u>	<u>4,380,571</u>

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**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022**

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5. Voluntary Income (cont'd)	2022 S\$	2021 S\$ Restated (Note 30)
<u>Restricted</u>		
Contributions received for Kidney Dialysis Centre Fund	678,852	752,925
Amortisation of deferred capital grants - Score financial assistance (Note 21)	243,036	243,036
Donation received - Green Haven	14,429	13,848
Government funding	1,094,234	1,018,438
Amortisation of deferred capital grants - Fu Hui Link Building (Note 21)	289,571	707,304
	<u>2,320,122</u>	<u>2,735,551</u>
	<u>6,120,562</u>	<u>7,116,122</u>
	=====	=====

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

During the financial year, the Charity issued tax-exempt receipts for donations collected amounting to S\$1,891,480 (2021: S\$2,084,588).

6. Income from fund-generating activities	2022 S\$	2021 S\$
Ordinary sponsorship subscription	16,300	18,200
Ordinary membership subscription	23,400	23,208
Registration fee	4,255	6,163
Fee collected	1,526,245	1,567,500
Gain on sale of uniforms and mattress	6,831	2,158
Marriage education and enrichment program	1,120	1,120
TCM and healthcare bus income	111,740	110,017
Fu Hui Golden Care income	196,081	25,616
	<u>1,885,972</u>	<u>1,753,982</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements For the Financial Year Ended 31 December 2022

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7. Investment income	2022	2021
	S\$	S\$
<u>Unrestricted</u>		
Fixed deposit interest income	30,926	4,876
<u>Restricted</u>		
Fixed deposit interest income	58	82
	<u>30,984</u>	<u>4,958</u>
	=====	=====
8. Income from related charitable entities	2022	2021
	S\$	S\$
Income from Grace Lodge		
- Rental	2,280,000	2,161,114
- Water and light	305,255	218,131
- Shared service	96,000	96,000
Income from Fu Hui Buddhist Cultural Centre		
- Rental	180,000	180,000
- Water and light	55,451	39,485
- Shared service	48,000	48,000
Income from vending machines	885	628
Income from Green delights	344,934	148,228
Income from Fu Hui Link Building Carpark	-	(2,299)
Other miscellaneous income	429	-
Jobs credit grants	79,838	-
	<u>3,390,792</u>	<u>2,889,287</u>
	=====	=====
9. Other income	2022	2021
	S\$	S\$
<u>Unrestricted</u>		
Job support scheme	-	194,724
Special employment credit	-	22,381
Wage credit scheme	-	76,075
Rental rebates	-	249,485
Miscellaneous	-	54,246
	<u>-</u>	<u>596,911</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022**

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9. Other income (cont'd)	2022	2021
	S\$	S\$
<u>Restricted</u>		
Rental rebates	-	37,429
	<u>-</u>	<u>634,340</u>
	=====	=====
10. Staff costs and emoluments	2022	2021
	S\$	S\$
<u>Unrestricted</u>		
Salaries and bonuses	3,762,351	3,427,994
Staff incentive	-	4,784
CPF & SDL	441,774	466,304
Foreign workers' levy	63,881	63,729
	<u>4,268,006</u>	<u>3,962,811</u>
	=====	=====
<u>Restricted</u>		
Salaries and bonuses	530,537	515,936
CPF and SDL	82,754	78,582
	<u>613,291</u>	<u>594,518</u>
	=====	=====
	<u>4,881,297</u>	<u>4,557,329</u>
	=====	=====
Average number of employees	105	96
	=====	=====

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Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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11. Kidney Dialysis Centre Fund

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

	2022 S\$	2021 S\$
Beginning of the year	90,008	37,083
Add: Funds received during the year	678,852	752,925
Less: Utilisation of funds during the year	(700,000)	(700,000)
End of the year	<u>68,860</u> =====	<u>90,008</u> =====

Green Haven

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

	2022 S\$	2021 S\$
Beginning of the year	142,623	185,099
Add: Funds received during the year	1,351,936	1,312,833
Less: Utilisation of funds during the year	(1,362,481)	(1,355,309)
End of the year	<u>132,078</u> =====	<u>142,623</u> =====

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**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022**

12. Property, plant and equipment

	Leasehold land & building S\$	Statues S\$	Renovation S\$	Organic farming equipment S\$	Furniture and fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
2022									
Cost									
At 01.01.2022	55,041,645	130,493	6,113,877	25,914	629,498	1,544,848	838,319	454,617	64,779,211
Additions	390,915	-	2,000	-	1,506	193,090	-	24,000	611,511
At 31.12.2022	55,432,560	130,493	6,115,877	25,914	631,004	1,737,938	838,319	478,617	65,390,722
Accumulated depreciation									
At 01.01.2022	16,270,283	75,225	2,491,291	25,914	464,797	940,504	709,265	-	20,977,279
Charge for the year	2,324,650	2,610	378,995	-	33,369	125,950	54,706	-	2,920,280
At 31.12.2022	18,594,933	77,835	2,870,286	25,914	498,166	1,066,454	763,971	-	23,897,559
Net carrying amount									
At 31.12.2022	36,837,627	52,658	3,245,591	-	132,838	671,484	74,348	478,617	41,493,163

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**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022**

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

	Leasehold land & building S\$	Statues S\$	Renovation S\$	Organic farming equipment S\$	Furniture and fittings S\$	Equipment S\$	Motor vehicles S\$	Construction in progress S\$	Total S\$
2021									
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

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Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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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 Charity.

Construction in progress relates to renovation works at Happy Villa located at Blk 1 #03-50 Tanjong Pagar Plaza, Singapore 082001.

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

	2022	2021
	S\$	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

	2022	2021
	S\$	S\$
Medicines	26,698	19,853
Uniforms and T-shirts	8,961	9,823
Vests	2,172	2,172
Mattress	125	100
	-----	-----
	37,956	31,948
	=====	=====

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**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022**

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15. Trade and other receivables

	2022 S\$	2021 S\$
Trade receivables – related parties	1,119,787	2,453,787
Trade receivables – non related parties	20	5,373
Refundable deposits	79,382	41,222
Others	47,088	11,751
	<u>1,246,277</u>	<u>2,512,133</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.

16. Other current assets

	2022 S\$	2021 S\$
Prepayments	58,984	57,868
	<u>58,984</u>	<u>57,868</u>
	=====	=====

17. Cash and cash equivalents

	2022 S\$	2021 S\$
Cash at bank	6,758,196	8,749,627
Cash on hand	3,535	2,053
Fixed deposits	5,360,880	1,357,605
	<u>12,122,611</u>	<u>10,109,285</u>
	=====	=====
Comprising:		
Cash at bank restricted under		
- Green Haven	57,794	41,949
Cash on hand restricted under		
- Green Haven	1,149	712
Not restricted in use	12,063,668	10,066,624
	<u>12,122,611</u>	<u>10,109,285</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES**Notes to the Financial Statements
For the Financial Year Ended 31 December 2022****34****17. Cash and cash equivalents (cont'd)**

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

	2022 S\$	2021 S\$
Cash and bank balances (as above)	12,122,611	10,109,285
Less: Pledged fixed deposits	(247,500)	(291,000)
	<u>11,875,111</u>	<u>9,818,285</u>
	=====	=====

Fixed deposits mature within 12 months (2021: 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% (2021: 0.10% to 0.28%) per annum.

Fixed deposit of S\$247,500 (2021: S\$291,000) is pledged to secure bankers' guarantees in lieu of rental deposit for securing a lease of premises from the landlord.

18. Amounts received in advance - S\$64,751

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

19. Other payables

	2022 S\$	2021 S\$
Refundable deposits	204,337	180,516
Sundry payables	508,368	537,716
Accruals	428,877	462,434
	<u>1,141,582</u>	<u>1,180,666</u>
Financial liabilities	63,662	49,805
Goods and service tax payable	<u>1,205,244</u>	<u>1,230,471</u>
	=====	=====

SINGAPORE BUDDHIST WELFARE SERVICES

Notes to the Financial Statements
For the Financial Year Ended 31 December 2022

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19. Other payables (cont'd)

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\$69,531 (2021: 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

	2022 S\$	2021 S\$ Restated (Note 30)
Score Financial Assistance		
Beginning of the year	1,233,039	1,488,930
Grants received during the year	5,400	-
Refund of unused funding	(7,890)	(12,855)
Utilisation of funds for the year	(243,036)	(243,036)
End of the year	987,513	1,233,039
	=====	=====
Current	243,036	243,036
Non-current	744,477	990,003
	987,513	1,233,039
	=====	=====

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Notes to the Financial Statements
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21. Deferred capital grants (cont'd)**Fu Hui Link Building Fund**

	2022 S\$	2021 S\$ Restated (Note 30)
Beginning of the year	12,267,177	12,556,748
Less: Utilisation of funds during the year	(289,571)	(289,571)
End of the year	<u>11,977,606</u> =====	<u>12,267,177</u> =====
Current	289,571	289,571
Non-current	<u>11,688,035</u>	<u>11,977,606</u>
	<u>11,977,606</u> =====	<u>12,267,177</u> =====

22. Commitments**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 Charity has committed to sponsor the centre's yearly recurrent operating costs of up to S\$700,000 (2021: S\$700,000).

23. LeasesOperating lease income commitments - as lessor

A mature analysis of the undiscounted non-cancellable lease amounts to be received on an annual basis is as follows:

	2022 S\$	2021 S\$
Not later than 1 year	1,890,000	2,340,000
Between 1 and 2 years	570,000	540,000
Total	<u>2,460,000</u> =====	<u>2,880,000</u> =====
Rental income for the year (Note 8)	2,460,000	2,341,114

23. Leases (cont'd)Operating lease income commitments - as lessor (cont'd)

Operating lease income commitments are for the lease of the following:

- (i) certain floor area at the premise of Yen Pei Building located at 105 Punggol Road, Singapore 546636 to Fu Hui Buddhist Cultural Centre; and
- (ii) the premise located at 19 Compassvale Walk, Singapore 544644 to Grace Lodge.

The lease rental income terms are negotiated for an average term of 1 year.

The Charity as a lessee

The Charity 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 2021	2,816,128
Depreciation	(1,043,436)
	<hr/>
At 31 December 2021	1,772,692
Renewal of lease	390,914
Depreciation	(1,043,603)
	<hr/>
At 31 December 2022	1,120,003
	<hr/> <hr/>

(b) Lease liabilities

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

	2022 S\$	2021 S\$
Current	945,586	1,014,843
Non-current	211,399	805,491
	<hr/>	<hr/>
	1,156,985	1,820,334
	<hr/> <hr/>	<hr/> <hr/>

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23. Leases (cont'd)

The Charity as a lessee (cont'd)

(c) Amounts recognised in profit or loss

	2022 S\$	2021 S\$
Depreciation of right-of-use assets	1,043,603	1,043,436
Interest expense on lease liabilities	75,955	115,718
Lease expense not capitalised in lease liabilities		
- Expense relating to short-term leases (included in administrative expense)	17,759	17,738
Total amount recognised in profit or loss	<u>1,137,317</u> =====	<u>1,176,892</u> =====

(d) Total cash outflow

The Charity's had total cash outflows for leases of S\$1,109,869 (2021: S\$1,129,921) in 2022.

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 Charity 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 Charity and related parties took place at terms agreed between the parties during the financial year:

	2022 S\$	2021 S\$
Income from Grace Lodge (Note 8)	2,681,255	2,475,245
Income from Fu Hui Buddhist Cultural Centre (Note 8)	283,451	267,485
	<u>2,964,706</u> =====	<u>2,742,730</u> =====

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25. Related party transactions (cont'd)

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 Charity. They are the Management Committee and key management employees as follows:

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 Management Committee as their appointments are honorary. Compensation of management employees mentioned above are included in the staff costs as follows:

	2022 S\$	2021 S\$
Short term employee benefits		
- SBWS	539,960	371,675
- Division of SBWS	431,954	398,487
Employer's contribution to Central Provident Fund		
- SBWS	31,780	38,986
- Division of SBWS	46,294	46,912
	<u>1,049,988</u> =====	<u>856,060</u> =====

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25. Related party transactions (cont'd)

Number of key management personnel in remuneration band:

	2022	2021
S\$50,001 to S\$150,000	8	7
S\$50,000 and below	1	2
	=====	=====

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:

	2022	2021
	S\$	S\$
<u>Financial assets</u>		
Financial asset at amortised cost:		
Trade and other receivables	1,246,277	2,512,133
Cash and cash equivalents	12,122,611	10,109,285
	<u>13,368,888</u>	<u>12,621,418</u>
	=====	=====
<u>Financial liabilities</u>		
Financial liabilities at amortised cost:		
Other payables	1,141,582	1,180,666
Lease liabilities	1,156,985	1,820,334
	<u>2,298,567</u>	<u>3,001,000</u>
	=====	=====

Further quantitative disclosures are included throughout these financial statements.

27. Financial risk management

The Charity'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 Charity's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Charity'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 Charity'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 Charity. The major classes of financial assets of the Charity are trade receivables and cash and cash equivalents. The Charity minimises credit risk by dealing only with high credit quality counterparties.

As the Charity 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 90% (2021: 98%) 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.

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

Liquidity risk is the risk that the Charity will encounter difficulty in obligations due to shortage of funds. The Charity 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 Charity.

The table below summarises the maturity profile of the Charity'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>2022</u>			
Other payables	1,141,582	-	1,141,582
Lease liabilities	966,120	246,960	1,213,080
	<u>2,107,702</u>	<u>246,960</u>	<u>2,354,662</u>
	=====	=====	=====
<u>2021</u>			
Other payables	1,180,666	-	1,180,666
Lease liabilities	1,094,940	825,000	1,919,940
	<u>2,275,606</u>	<u>825,000</u>	<u>3,100,606</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 Charity's objectives when managing capital are to safeguard the Charity'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 Charity consists of accumulated fund, Fu Hui Link Building Fund, Green Haven Fund and Kidney Dialysis Centre fund, as shown in the statement of financial position. In order to maintain or adjust the capital structures, the Charity may appeal for donation from the general public.

The Charity reviews its accumulated fund at least once annually to ensure that the Charity will be able to continue as a going concern. The Charity's overall strategy remains unchanged from 2021.

The Charity is not subject to any externally imposed capital requirements for the financial years ended 31 December 2022 and 2021. The Charity maintains an accumulated fund at a level adequate to fund 3.5 years of annual operating expenditure.

30. Reclassification and prior year adjustments

Certain reclassifications have been made in the prior year's statement of financial position to enhance comparability of prior year figures with the figures in the current year's financial statements.

Prior year adjustments - Fu Hui Link Building Fund

The standard on Government Grants (FRS 20) contains requirements for the accounting for government grants received. It requires government grants related to assets to be presented in the statement of financial position by setting up the grant as deferred income. This grant that is recognised as deferred income is then recognised in profit or loss on a systematic basis over the useful life of an asset.

Similarly, for funds received/donations received for the construction or maintenance of building, the fair value is recognised and presented as deferred capital grant on the balance sheet. The funds are amortised in accordance with the expected useful life of the building.

Fu Hui Link Building Fund has been over-amortised since the completion of the building in 2014 as the amortisation is not based on the useful life of the building (50 years from the date of completion of the building). As such, prior year adjustments have been made for amortisation that has been overprovided in the previous financial years - S\$2,724,326 as at 31 December 2021 (S\$2,306,593 as at 1 January 2021).

30. Reclassification and prior year adjustments (cont'd)**Fu Hui Link Building Fund and Score Financial Assistance (cont'd)**

In addition, the overprovision of amortisation income S\$707,304 in the previous financial year has been credited in the equity balance only although the correct treatment should be to credit amortisation income of S\$707,304 in the statement of other comprehensive income and consequently credit the equity balance of the same amount. As such, prior year adjustments have been made for the previous financial year ended 31 December 2021.

The impact of the prior year adjustments for the above mentioned compliance on the various accounting captions of the Charity are as follows:

	As previously reported S\$	Adjustments S\$	As restated S\$
<u>1 January 2021</u>			
Statement of financial position			
Fu Hui Link Building Fund	(10,250,155)	(2,306,593)	(12,556,748)
Accumulated fund	(40,656,693)	2,306,593	(38,350,100)
	=====	=====	=====
<u>31 December 2021</u>			
Statement of financial position			
Fu Hui Link Building Fund	(9,542,851)	(2,724,326)	(12,267,177)
Accumulated fund	(42,371,369)	2,724,326	(39,647,043)
	=====	=====	=====
Statement of other comprehensive income			
Income - Voluntary income	(6,408,818)	(707,304)	(7,116,122)
Net surplus for the year	(1,017,821)	(707,304)	(1,725,125)
	=====	=====	=====
Statement of cash flows			
Net surplus for the year	(1,017,821)	(707,304)	(1,725,125)
Amortisation - Income	243,036	707,304	950,340
	=====	=====	=====

31. 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 Charity has adopted all the new and amended standards which are relevant to the Charity and are effective for annual financial periods beginning on or after 1 January 2022. The adoption of these standards does not result in changes to the Charity'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 2022.

The following standards and interpretations are effective for annual period beginning on or after 1 January 2022:

- Amendments to FRS 109 Financial Instruments, FRS 39 Financial Instruments: Recognition and Measurement and FRS 107 Financial Instruments: Disclosures, FRS 104 Insurance Contracts, FRS 116 Leases: Interest Rate Benchmark Reform - Phase 2

32. 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 Charity for future reporting years are listed below.

Description	Effective for annual periods beginning on or after
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

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

Description	Effective for annual periods beginning on or after
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

Management 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.