



CSI & CO. PAC

Audit
Singapore

SINGAPORE BUDDHIST FEDERATION
(Registered under Societies Act and Charities Act)
(UEN S64SS0008K)

Audited Financial Statements
For the financial year ended 31 December 2023

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SINGAPORE BUDDHIST FEDERATION

Council's Statement

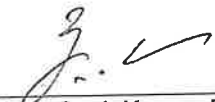
For the financial year ended 31 December 2023

Opinion of the Council

In the opinion of the Council, the accompanying financial statements are drawn up in accordance with the Societies Act 1966 (the Societies Act) and the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations), and the Financial Reporting Standards in Singapore (FRSs), so as to present fairly, in all material respects, the state of affairs of Singapore Buddhist Federation (the Charity) as at 31 December 2023 and the results, changes in funds and cash flows of the Charity for the financial year ended.

The Council approved and authorised these financial statements for issue.

On Behalf of the Council,



Ven Seck Kwang Phing
President



Ven Shi You Guang
Secretary General



Mdm Chan Poh Swee
Hon. Treasurer

6 May 2024

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE BUDDHIST FEDERATION

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Buddhist Federation (the Charity), which comprise the statement of financial position as at 31 December 2023, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of 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 2023 and the results, changes in funds and cash flows of the Charity 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 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

Management is responsible for the other information. The other information comprises the Council's Statement set out on page 1, 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 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 FEDERATION

Independent Auditor's Report For the financial year ended 31 December 2023

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 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 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 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.



SINGAPORE BUDDHIST FEDERATION

**Independent Auditor's Report
For the financial year ended 31 December 2023**

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

- 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, we noted that for the Vesak Day event held on 28 May 2023, fund-raising expenses in relation to total funds raised was at 38%, which has exceeded the 30% requirement of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.

CSI & Co. PAC
Public Accountants and
Chartered Accountants
Singapore

6 May 2024

SINGAPORE BUDDHIST FEDERATION

Statement of Financial Activities As at 31 December 2023

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Incoming Resources	4	3,991,950	2,195,239
Resources Expended			
Depreciation	8	161,925	162,461
Employee benefits expense	5	1,560,196	1,364,405
Other expenses	6	693,252	450,656
Finance costs	7	4,011	4,944
		<u>(2,419,384)</u>	<u>(1,982,466)</u>
Surplus/(Deficit) before tax	7	1,572,566	212,773
Income tax expense		-	-
SURPLUS/(DEFICIT) FOR THE YEAR		1,572,566	212,773
Other comprehensive income		-	-
Other comprehensive income for the year, net of tax		-	-
NET SURPLUS/(DEFICIT) FOR THE YEAR		1,572,566	212,773

SINGAPORE BUDDHIST FEDERATION

Statement of Financial Position As at 31 December 2023

	Note	2023 \$	2022 \$
ASSETS			
Non-current assets			
Property, plant and equipment	8	6,284,692	6,375,321
Current assets			
Inventories	10	6,808	7,372
Other receivables	9	173,246	86,301
Cash and cash equivalents	11	5,950,167	4,402,806
		6,130,221	4,496,479
Total assets		12,414,913	10,871,800
FUNDS AND LIABILITIES			
Unrestricted funds			
Nanyang Buddhist Fund	12	(270,917)	(235,884)
Prince Siddhattha Fund	12	1,046,803	1,043,838
MBSCC Fund	12	984,728	950,211
SBF Dharma Class Fund	12	88,097	88,097
SBF General Fund	12	5,064,135	3,427,696
		6,912,846	5,273,958
Restricted funds			
SBF Building Fund	13	5,087,562	5,153,884
Needy Pupil Fund	13	9,138	5,537
		5,096,700	5,159,421
Total funds		12,009,546	10,433,379
Non-current liabilities			
Lease liabilities	16	33,883	49,695
Current liabilities			
Other payables	14	328,460	347,744
Lease liabilities	16	15,810	14,816
Provision	15	27,214	26,166
		371,484	388,726
Total liabilities		405,367	438,421
Total funds and liabilities		12,414,913	10,871,800

SINGAPORE BUDDHIST FEDERATION

**Statement of Changes in Funds
For the financial year ended 31 December 2023**

	<u>Total</u> \$
At 1 January 2022	10,220,869
Movement on reserves for activities	(263)
Surplus for the year	212,773
At 31 December 2022	<u>10,433,379</u>
Movement on reserves for activities	3,601
Surplus for the year	1,572,566
At 31 December 2023	<u><u>12,009,546</u></u>

SINGAPORE BUDDHIST FEDERATION

Statement of Cash Flows

For the financial year ended 31 December 2023

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Cash flows from operating activities			
Surplus/(Deficit) before tax		1,572,566	212,773
Adjustments for:			
Depreciation	8	161,925	162,461
Interest expense		4,011	4,944
Interest earned		(101,184)	(33,917)
		64,752	133,488
		<u>1,637,318</u>	<u>346,261</u>
Change in working capital:			
(Increase)/Decrease in:			
Inventories		564	(1,573)
Other receivables		(38,732)	(15,953)
Increase/(Decrease) in:			
Trade and other payables		(19,284)	(72,149)
Provision		1,048	(10,671)
		(56,404)	(100,346)
<i>Net cash from/(used in) operating activities</i>		<u>1,580,914</u>	<u>245,915</u>
Cash flows from investing activities			
Purchase of property, plant and equipment	8	(71,296)	(4,259)
Interest income received		52,972	6,824
Increase/(decrease) in fixed deposits		(379,220)	(253,075)
<i>Net cash from/(used in) investing activities</i>		<u>(397,544)</u>	<u>(250,510)</u>
Cash flows from financing activities			
Increase/(decrease) in Needy Pupil Fund		3,600	(263)
Lease liabilities		(14,818)	(13,884)
Lease liabilities interest		(4,011)	(4,944)
<i>Net cash flows from/(used in) financing activities</i>		<u>(15,229)</u>	<u>(19,091)</u>
Net increase/(decrease) in cash and cash equivalents		<u>1,168,141</u>	<u>(23,686)</u>
Cash and cash equivalents at beginning of year	11	919,115	942,801
Cash and cash equivalents at end of year	11	<u><u>2,087,256</u></u>	<u><u>919,115</u></u>

SINGAPORE BUDDHIST FEDERATION

Statement of Cash Flows
For the financial year ended 31 December 2023

Reconciliation of liabilities arising from financing activities

	As at 1 <u>January</u> \$	Financing <u>cash flows</u> \$	- Non-cash - Interest expense <u>recognised</u> \$	As at 31 <u>December</u> \$
<u>2023</u>				
Lease liabilities	64,511	(18,829)	4,011	49,693
<u>2022</u>				
Lease liabilities	78,395	(18,828)	4,944	64,511

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

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

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

1. Corporate information

Singapore Buddhist Federation (the "Charity") is an entity registered under the Societies Act in Singapore. The address of the Charity's registered office is 59 Geylang Lorong 24A, Singapore 398583.

The principal activities of the Charity are to unify all Buddhist institutions and Buddhists in Singapore, in observing Buddhist precepts, practising dedication with Buddhist spirit, propagating the Dharma, promoting Buddhist culture and education, and engaging in community services for the benefit of the Singaporeans. The activities of the Charity are promoted through the following branches:

- 1) Singapore Buddhist Federation (main department) ("SBF") (includes SBF Building Fund and Vesak Day Celebration Fund);
- 2) Nanyang Buddhist;
- 3) Marine Parade Maha Bodhi Student Care Centre ("MBSCC");
- 4) Singapore Buddhist Federation Dharma Class Students Society; and
- 5) Prince Siddhattha Child Care Centre.

As an active promoter of education, the Charity manages 2 government-aided schools which provide secular and holistic education according to Ministry of Education-prescribed syllabus to young Singaporeans, they are:

- a) Maha Bodhi School
- b) Manjusri Secondary School

There have been no significant changes in the nature of these activities during the year.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements of the Charity have been drawn up in accordance with Singapore Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (\$), which is the Charity's functional currency.

The financial statements of the Charity have been prepared on the basis that it will continue to operate as a going concern.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial 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 period beginning on 1 January 2023. The adoption of these standards did not have any material effect on the financial statements of the Charity.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policies information (continued)

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The Charity expects that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

The following are new / revised / amendments to FRSs issued by the Accounting Standards Council of Singapore up to 31 December 2023 which are effective for annual reporting periods beginning after 1 January 2023:

Description	Effective for annual periods beginning on or after
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Classification of Liabilities as Current or Non-current	1 January 2024
Amendments to FRS 116 <i>Leases</i> : Lease Liability in a Sale and Leaseback	1 January 2024
Amendments to FRS 1 <i>Presentation of Financial Statements</i> : Non-current Liabilities with Covenants	1 January 2024
Amendments to FRS 7 <i>Statement of Cash Flows</i> and FRS 107 <i>Financial Instruments</i> : Disclosures: Supplier Finance Arrangements	1 January 2024
Amendments to FRS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Amendments to FRS 110 <i>Consolidated Financial Statements</i> and FRS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Charity and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. 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.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policies information (continued)

2.5 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, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

There is no depreciation charge for freehold land and relics. Depreciation is calculated using the straight-line basis over their estimated useful lives of the assets as follows:

	<u>Useful lives</u>
Furniture and fittings	5 years
Office equipment	5 years
Electrical equipment	5 years
Computer	5 years
Renovation	5 years
Building	50 years
Right-of-use assets (Office equipment)	5 years

The residual value, useful lives and depreciation method are reviewed at least at the end of each reporting period, 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.

2.6 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, where applicable, 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 group 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.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policies information (continued)

2.6 Impairment of non-financial assets(continued)

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.

2.7 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes a party to the contractual provisions of the instruments.

At initial recognition, the Charity measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Charity expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gain and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.7 Financial instruments (continued)

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Charity becomes a party to the contractual provisions of the financial instrument. The Charity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, net of directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.8 Impairment of financial assets

The Charity recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. 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 expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. 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).

For trade receivables, the Charity applies a simplified approach in calculating ECLs. Therefore, the Charity does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Charity has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.8 Impairment of financial assets (continued)

The Charity considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Charity may also consider a financial asset to be in default when internal or external information indicates that the Charity is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Charity. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Charity in the management of its short-term commitments. For the purpose of the statement of cash flows, deposits with maturities of more than three months, have been excluded.

2.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the first-in first-out method and comprises all costs of purchase, cost of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

When 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.

2.11 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.

2.12 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 installments.

2. Material accounting policy information (continued)

2.13 Funds

All income and expenditures are reflected in the statement of financial activities. Income and expenditures specifically relating to any of the funds separately set up by the Charity are allocated subsequently to those funds. Fund balances restricted by outside sources are indicated and are distinguished from unrestricted 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 activities of a fund that is directly attributed to the fund is charged to that fund. Common expenses are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so. Support costs include central functions and have been allocated to activity cost categories on a basis consistent with the use of resources, e.g. allocating property costs by floor areas, or per capita, staff costs by the time spent and other costs by their usage.

2.14 Employee benefits

(a) Defined contribution plans

The Charity makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Charity has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.15 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.

(a) As lessee

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.

2. Material accounting policy information (continued)

2.15 Leases

(a) As lessee (continued)

Right-of-use assets (continued)

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 2.6.

The Charity's right-of-use assets are presented within property, plant and equipment (Note 8).

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 Leases (Note 16).

Short-term leases and leases of low-value assets

The Charity applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.15 Leases (continued)

(b) As lessor

Leases in which the Charity does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Charity's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

2.16 Revenue and other income

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction prices arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient, the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(i) *Donations and sponsorships*

Revenue from donations and sponsorships are accounted for when received, except for committed donations and sponsorships that are recorded when there is certainty over the amount committed by the donors and over the timing of the receipt of the donations and sponsorships. The timing of income recognition is governed by the donor's intent. If the donor is silent, the donation is recognised as income in the year made. The timing of income recognition for restricted donations is the same as for unrestricted donations. Revenue from fundraising event is recognised when the event has occurred.

(ii) *Interest income*

Interest revenue from financial assets at amortised cost is recognised using the effective interest rate method.

(iii) *Members' subscriptions*

Revenue from members' subscriptions is recognised on an accrual basis to the extent that it is probable that the fees will be received.

(iv) *Services*

Revenue from childcare fees, dharma classes and enrichment programmes are recognised upon completion of services.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

2. Material accounting policy information (continued)

2.16 Revenue and other income (continued)

(v) *Rental income*

Rental income is recognised in profit or loss on a straight-line basis over the term of the lease.

(vi) *Sale of merchandise*

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods, such as uniforms, text books and materials, are transferred to the customer, generally on deliver of the goods (in this respect, incoterms are considered).

2.17 Taxes

(a) **Income tax**

The Charity is a registered charity organisation under Charities Act 1994. The unique entity number (UEN) is S64SS008K. As an approved charity, it is exempted from income tax under Section 13(1)(zm) of the Singapore Income Tax Act. The Charity is also exempted from property tax.

(b) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST except:

- where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

3. Significant accounting judgements and estimates

The preparation of the Charity's financial statements requires management to make judgements, 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. 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.

3. Significant accounting judgements and estimates (continued)

3.1 Key sources of estimation uncertainty

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

Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value and an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Charity's inventories as at 31 December 2023 was \$6,808 (2022: \$7,372). If the future expected realisable value lower by 10% of its carrying amount, the carrying amount of the Charity's inventories would have been \$680 (2022: \$737) lower.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

4. Incoming resources

The amount of each significant category of income recognised during the financial year is as follows:

Timing of transfer of goods or service	At a point in time \$	Over time \$	Total \$
<u>2023</u>			
<u>Unrestricted Funds</u>			
Donations and sponsorship	2,011,456	-	2,011,456
Interest earned	-	101,184	101,184
Member subscription	1,884	6,851	8,735
Child care fees and other programmes	4,975	1,282,498	1,287,473
Rental income	-	3,783	3,783
Management fees	-	71,496	71,496
Message/notice	21,540	-	21,540
Job credit	28,295	-	28,295
Vesak day income	426,267	-	426,267
Others - gains, etc.	31,721	-	31,721
	<u>2,526,138</u>	<u>1,465,812</u>	<u>3,991,950</u>

2022 **Unrestricted Funds**

Donations and sponsorship	671,576	-	671,576
Interest earned	-	33,917	33,917
Member subscription	3,018	8,565	11,583
Child care fees and other programmes	5,054	1,303,020	1,308,074
Rental income	-	2,569	2,569
Management fees	-	71,496	71,496
Message/notice	8,220	-	8,220
Job credit	53,596	-	53,596
Others - gains, etc.	27,115	7,093	34,208
	<u>768,579</u>	<u>1,426,660</u>	<u>2,195,239</u>

5. Employee benefits expense

	<u>2023</u> \$	<u>2022</u> \$
Defined contribution plan	180,426	155,375
Medical fees	4,263	4,106
Salaries and bonus	1,374,459	1,215,594
Unutilised leave expense	1,048	(10,670)
	<u>1,560,196</u>	<u>1,364,405</u>

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

6. Other expenses

	<u>2023</u>	<u>2022</u>
	\$	\$
Auditor's remuneration	23,300	19,300
Catering of meals	44,805	42,048
Celebration event and decoration	67,797	9,841
Cost of dharma class	10,501	5,952
Cost of series of sharing session	15,399	12,000
Editorial fee	14,491	15,342
Enrichment programme	39,572	49,959
Insurance	16,769	16,316
Maintenance of building	38,688	44,981
Miscellaneous expenses	24,877	2,945
Printing and stationery	17,365	12,962
Printing of Nanyang Buddhist	21,471	20,000
Rental expenses	21,162	21,360
Repair and maintenance	8,681	7,455
Staff welfare	5,138	8,307
Staff Levy	13,637	10,060
Telephone and internet	13,428	11,021
Toys and teaching aids	5,079	6,135
Unclaimable GST expenses	22,380	7,522
Water and electricity	43,657	45,024
Welfare services and bursary	16,610	34,900
Vesak Day	156,385	11,415
Other administrative expenses, etc	52,060	35,811
	<u>693,252</u>	<u>450,656</u>

7. Surplus/(Deficit) for the year

The following items have been included in arriving at surplus/(deficit) for the year:

	<u>Note</u>	<u>2023</u>	<u>2022</u>
		\$	\$
Depreciation	8	161,925	162,461
Employee benefits expense	5	1,560,196	1,364,405
Contributions to defined contribution plans, included in employee benefits expense	5	180,426	155,375
Operating lease expense		21,162	21,360
Finance costs		4,011	4,944
Fixed deposits interest earned		(101,184)	(33,917)
Rental income		<u>(3,783)</u>	<u>(2,569)</u>

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements
For the financial year ended 31 December 2023

8. Property, plant and equipment

2023	Freehold Land \$	Building \$	Relic \$	Furniture & Fittings \$	Computer, Electrical and Office Equipment \$	Renovation \$	Total \$
Cost							
Balance at beginning of year	2,700,000	4,665,444	49,455	1,090,299	236,017	382,560	9,123,775
Additions	-	-	-	-	27,111	44,185	71,296
Disposals	-	-	-	(228)	(19,700)	-	(19,928)
Adjustment	-	-	-	-	931	-	931
Balance at end of year	2,700,000	4,665,444	49,455	1,090,071	244,359	426,745	9,176,074

Accumulated Depreciation and Impairment

Balance at beginning of year	-	1,208,071	-	1,080,402	162,375	297,606	2,748,454
Charge for the year	-	93,309	-	3,500	31,490	33,626	161,925
Disposals	-	-	-	(228)	(19,700)	-	(19,928)
Adjustment	-	-	-	-	931	-	931
Impairment loss	-	-	-	-	-	-	-
Balance at end of year	-	1,301,380	-	1,083,674	175,096	331,232	2,891,382

Net Book Value

At end of year	2,700,000	3,364,064	49,455	6,397	69,263	95,513	6,284,692
At beginning of year	2,700,000	3,457,373	49,455	9,897	73,642	84,954	6,375,321

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements
For the financial year ended 31 December 2023

8. Property, plant and equipment (continued)

<u>2022</u>	<u>Freehold Land \$</u>	<u>Building \$</u>	<u>Relic \$</u>	<u>Furniture & Fittings \$</u>	<u>Computer, Electrical and Office Equipment \$</u>	<u>Renovation \$</u>	<u>Total \$</u>
Cost							
Balance at beginning of year	2,700,000	4,665,444	49,455	1,123,915	259,153	419,055	9,217,022
Additions	-	-	-	-	4,259	-	4,259
Disposals	-	-	-	(33,616)	(27,395)	(36,495)	(97,506)
Balance at end of year	2,700,000	4,665,444	49,455	1,090,299	236,017	382,560	9,123,775
Accumulated Depreciation and Impairment							
Balance at beginning of year	-	1,114,762	-	1,110,285	158,481	299,969	2,683,497
Charge for the year	-	93,309	-	3,732	31,288	34,132	162,461
Disposals	-	-	-	(33,615)	(27,394)	(36,495)	(97,504)
Impairment loss	-	-	-	-	-	-	-
Balance at end of year	-	1,208,071	-	1,080,402	162,375	297,606	2,748,454
Net Book Value							
At end of year	2,700,000	3,457,373	49,455	9,897	73,642	84,954	6,375,321
At beginning of year	2,700,000	3,550,682	49,455	13,630	100,672	119,086	6,533,525

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

8. Property, plant and equipment (continued)

During the year, the Charity acquired property, plant and equipment with an aggregate cost of \$71,296 (2022: \$4,259). Cash payments of \$71,296 (2022: \$4,259) were made for purchase of property, plant and equipment.

Right-of-use of assets acquired under leasing arrangements are disclosed in Note 16.

The carrying amount of freehold land \$2,700,000 is not depreciated (Note 13). The freehold land and building are held in trust and registered in the name of five trustees, of which three are key Council Members of the Charity.

9. Other receivables

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Other receivables		5,192	38,171
Accrued fixed deposits interest		75,305	27,093
Deposits		19,025	13,277
Prepayments		73,724	7,760
Total other receivables		173,246	86,301
Prepayments		73,724	7,760
Financial assets at amortised cost	20	99,522	78,541
Total other receivables		173,246	86,301

Other receivables are unsecured, interest-free and repayable on demand.

The Charity's exposure to credit risk and impairment losses relating to financial assets are disclosed in Note 19.

10. Inventories

	<u>2023</u> \$	<u>2022</u> \$
Statement of financial position:		
Finished goods	6,808	7,372
Provision for stock obsolescence	-	-
	<u>6,808</u>	<u>7,372</u>
Statement of profit or loss:		
Inventories recognised as an expense in cost of sales	<u>5,236</u>	<u>4,193</u>

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

11. Cash and cash equivalents

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Cash at banks		2,084,763	912,786
Cash on hand		2,493	6,329
Fixed deposits		<u>3,862,911</u>	<u>3,483,691</u>
Cash and cash equivalents as per			
Statement of Financial Position	20	5,950,167	4,402,806
Fixed deposits (with maturity more than 3 months)		<u>(3,862,911)</u>	<u>(3,483,691)</u>
Cash and cash equivalents as per			
Statement of Cash Flows		<u>2,087,256</u>	<u>919,115</u>

Fixed deposits interest ranges from 2.1 % to 3.97% (2022: 0.35 % to 2.1%) per annum. Interest rates reprice at intervals of between 6 to 12 months with maturity date ranging from 19 February 2024 to 28 September 2024.

12. Unrestricted funds

	<u>2023</u> \$	<u>2022</u> \$
<u>Nanyang Buddhist</u>		
Accumulated fund		
- Balance at beginning of year	(235,884)	(189,605)
- Current year	<u>(35,033)</u>	<u>(46,279)</u>
- Balance at end of year	<u>(270,917)</u>	<u>(235,884)</u>
<u>Prince Siddhattha</u>		
Accumulated fund		
- Balance at beginning of year	1,043,838	940,058
- Current year	<u>2,965</u>	<u>103,780</u>
- Balance at end of year	<u>1,046,803</u>	<u>1,043,838</u>
<u>MBSCC Fund</u>		
Accumulated fund		
- Balance at beginning of year	950,211	934,309
- Current year	<u>34,517</u>	<u>15,902</u>
- Balance at end of year	<u>984,728</u>	<u>950,211</u>

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

12. Unrestricted funds (continued)

	<u>2023</u> \$	<u>2022</u> \$
<u>SBF Dharma Class Fund</u>		
Accumulated fund		
- Balance at beginning of year	56,517	54,753
- Current year	-	1,764
- Balance at end of year	56,517	56,517
Reserves for activities		
- Balance at beginning of year	31,580	31,580
- Current year	-	-
- Balance at end of year	31,580	31,580
	<u>88,097</u>	<u>88,097</u>
<u>SBF General Fund (Unrestricted)</u>		
Accumulated fund		
- Balance at beginning of year	3,427,696	3,222,006
- Current year	1,570,118	139,369
- Reclassification to building fund	66,321	66,321
- Balance at end of year	<u>5,064,135</u>	<u>3,427,696</u>

13. Restricted funds

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
<u>Building Reserve</u>			
Land	8	2,700,000	2,700,000
Building construction fund			
- Balance at beginning of year		2,453,884	2,520,204
- Restatement prior year		-	-
- Balance at beginning of year (restated)		2,453,884	2,520,204
- Current year		(66,322)	(66,320)
- Balance at end of year		2,387,562	2,453,884
		<u>5,087,562</u>	<u>5,153,884</u>
<u>Needy Pupil Fund</u>			
Needy pupil fund		<u>9,138</u>	<u>5,537</u>

SBF Building Fund was set up in 2006 to raise funds for construction of the current building at 59 Lorong 24A Geylang. The fund is represented by the carrying value of the land and building at year-end.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

14. Other payables

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Other payables		3,947	1,678
GST payables		24,940	21,931
Advance payments received		46,930	116,081
Grant received in advance		-	4,047
Accruals		159,369	117,202
Deposits received		93,274	86,805
Total other payables		328,460	347,744
 GST payables		24,940	21,931
Advance payments received		46,930	116,081
Grant received in advance		-	4,047
Financial liabilities at amortised cost	20	256,590	205,685
Total other payables		328,460	347,744

Advance payments received relate to the subscription fees which were received in advance from the members and the childcare fees of the childcare centre.

Deposits received relate to deposits received for childcare service.

The Charity's exposure to liquidity risk relating to financial liabilities is disclosed in Note 19.

15. Provisions

Movement in the following provision is as follows:

	<u>2023</u> \$	<u>2022</u> \$
<u>Unutilised leave</u>		
Balance at beginning of year	26,166	36,837
Provision made during the year	27,214	26,166
Provision reversed during the year	(26,166)	(36,837)
Balance at end of year	<u>27,214</u>	<u>26,166</u>

Provision for unutilised leave was made on staff leave balances unutilised as at year end based on the Charity's annual leave policy.

16. Leases

Charity as a lessee

The Charity has lease contracts for office equipment. The Charity's obligations under these leases are secured by the lessor's title to the leased assets. The Charity is restricted from assigning and subleasing the leased assets. There are several lease contracts that include extension options which are further discussed below.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

16. Leases (continued)

Charity as a lessee (continued)

The Charity also has certain leases of offices with lease terms of 12 months. The Charity applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

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

	<u>Office Equipment</u> \$
At 1 January 2022	74,795
Depreciation	<u>(18,778)</u>
At 31 December 2022	56,017
Depreciation	<u>(18,778)</u>
At 31 December 2023	<u><u>37,239</u></u>

(b) Lease liabilities

	<u>Note</u>	<u>2023</u> \$	<u>2022</u> \$
Current:			
- Within one year		15,810	14,816
Non-current:			
- Between two and five years		33,883	49,695
	20	<u><u>49,693</u></u>	<u><u>64,511</u></u>

The movements during the years are disclosed in Statement of Cash Flows and the maturity analysis of lease liabilities is disclosed in Note 19(b).

(c) Amounts recognised in profit or loss

	<u>2023</u> \$	<u>2022</u> \$
Depreciation of right-of-use assets	18,778	18,778
Interest expense on lease liabilities	4,011	4,944
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases	<u>21,162</u>	<u>21,360</u>
Total amount recognised in profit or loss	<u><u>43,951</u></u>	<u><u>45,082</u></u>

(d) Total cash outflow

The Charity had total cash outflows for leases of \$39,990 in 2023 (2022: \$40,188).

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

17. Significant related party transactions

(a) Significant transactions with related parties

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

	<u>2023</u>	<u>2022</u>
	\$	\$
Management fee income from affiliated schools	71,496	71,496
Donation to affiliated school	-	20,000
Cost recharged to affiliated schools	<u>21,099</u>	<u>19,012</u>

For purpose of these financial statements, parties are considered to be related to the Charity if the Charity has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Charity and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

(b) Compensation of key management personnel

	<u>2023</u>	<u>2022</u>
	\$	\$
Short-term benefits	108,000	104,000
Post-employment benefits	6,392	6,210
Other short-term benefits	<u>1,800</u>	<u>1,980</u>
	<u>116,192</u>	<u>112,190</u>
Comprise amounts paid to:		
Management Committee of the Charity	116,192	112,190
Other key management personnel	<u>-</u>	<u>-</u>
	<u>116,192</u>	<u>112,190</u>

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any council members (whether executive or otherwise) of that entity.

18. Fair value of assets and liabilities

Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

19. 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, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The management review and agree policies and procedures for the management of these risks, which are executed by the management team. 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 risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Charity. The Charity's exposure to credit risk arises primarily from other receivables. For other financial assets (including cash and cash equivalents), the Charity minimises credit risk by dealing exclusively with high credit rating counterparties.

Cash and cash equivalents are placed with financial institutions which are regulated. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Charity considers that its cash and cash equivalents have low credit risk based on the external ratings of the counterparties. The amount of allowance on cash and cash equivalents is negligible.

Impairment on other receivables has been measured on the 12-month expected loss basis and reflects the short maturity of the exposure. The amount of allowance on other receivables was negligible.

At the reporting date, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

(b) Liquidity risk

Liquidity risk refers to the risk that the Charity will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Charity's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The council members are satisfied that funds are available to finance the operations of the Charity.

The Charity monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Charity's operations and to mitigate the effects of fluctuations in cash flows. This excludes the potential impact of extreme circumstances that cannot be reasonably predicted.

SINGAPORE BUDDHIST FEDERATION

Notes to the Financial Statements For the financial year ended 31 December 2023

19. Financial risk management (continued)

(b) Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Charity's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount \$	Contractual cash flows \$	One year or less \$	One to five years \$
2023				
<u>Financial assets</u>				
Other receivables	99,522	99,522	99,522	-
Cash and cash equivalents	5,950,167	5,950,167	5,950,167	-
Total discounted financial assets	6,049,689	6,049,689	6,049,689	-
<u>Financial liabilities</u>				
Other payables	256,590	256,590	256,590	-
Lease liabilities	49,693	54,895	18,828	36,067
Total discounted financial liabilities	306,283	311,485	275,418	36,067
Total net undiscounted financial assets/(liabilities)	5,743,406	5,738,204	5,774,271	(36,067)
2022				
<u>Financial assets</u>				
Other receivables	78,541	78,541	78,541	-
Cash and cash equivalents	4,402,806	4,402,806	4,402,806	-
Total discounted financial assets	4,481,347	4,481,347	4,481,347	-
<u>Financial liabilities</u>				
Other payables	205,685	205,685	205,685	-
Lease liabilities	64,511	73,723	18,828	54,895
Total discounted financial liabilities	270,196	279,408	224,513	54,895
Total net undiscounted financial assets/(liabilities)	4,211,151	4,201,939	4,256,834	(54,895)

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Charity's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

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Notes to the Financial Statements For the financial year ended 31 December 2023

19. Financial risk management (continued)

(c) Market risk

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Charity's financial instruments will fluctuate because of changes in market interest rates. The Charity's exposure to interest rate risk arises primarily from their cash and cash equivalents and fixed deposits

The Charity adopts a policy of ensuring that majority of its exposure to changes in interest rates is on a fixed-rate basis, taking into account assets with exposure to changes in interest rates.

Exposure to interest rate risk

At the reporting date, the interest rate profile of the interest-bearing financial instruments was:

	Nominal <u>Interest rates</u> %	Carrying amount	
		<u>2023</u> \$	<u>2022</u> \$
Fixed rate instruments			
Financial assets			
- Fixed deposits	2.1 to 3.97 (2022: 0.35 to 2.1)	3,862,911	3,483,691
Financial liabilities			
- Lease liabilities	5.25 to 7.005 (2022: 5.25 to 7.005)	(49,693)	(64,511)
		<u>3,813,218</u>	<u>3,419,180</u>

Fair value sensitivity analysis for fixed rate instruments

If the interest rates had been 100 basis points higher/lower with all other variables held constant, the Charity's surplus/(deficit) for the year would have been \$38,132 (2022: \$34,192) higher/lower, arising mainly as a result of higher/lower interest income on fixed rate financial instruments. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment.

(ii) Foreign currency risk

The Charity is not exposed to currency risk as financial instruments are denominated in the functional currency of the Charity, primarily the Singapore dollar (SGD).

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20. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities were as follows:

	Note	2023 \$	2022 \$
Financial assets measured at amortised cost			
Other receivables	9	99,522	78,541
Cash and cash equivalents	11	5,950,167	4,402,806
		<u>6,049,689</u>	<u>4,481,347</u>
Financial liabilities measured at amortised cost			
Other payables	14	256,590	205,685
Lease liabilities	16	49,693	64,511
		<u>306,283</u>	<u>270,196</u>

21. Capital management

The primary objective of the Charity's fund management policy is to ensure it maintains strong and healthy capital ratios in order to support its operations and potential initiatives.

The Charity targets to maintain an optimum level of accumulated fund which is equivalent to at least 2 years of its budgeted operating expenditure. This excludes restricted funds. The Charity regularly reviews and manages its funds to ensure optimal capital structure, taking into consideration the future capital requirements of the Charity and capital efficiency, projected income and operating cash flows.

The Charity is not subject to externally imposed equity requirements.

There were no changes in the Charity's approach to fund management during the year.

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Council of the Charity on 6 May 2024.