

**SAGARAMUDRA BUDDHIST
SOCIETY**

[UEN. S88SS0090C]

[Registered under the Societies Act
(Chapter 311) in the Republic of Singapore]

**AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED
31 DECEMBER 2016**

CONTENTS

Statement by Management Committee	2
Independent Auditor's Report	3
Statement of Financial Activities	6
Statement of Financial Position	9
Statement of Changes in Fund	10
Statement of Cash Flows	11
Notes to the Financial Statements	12

Fiducia LLP

(UEN. T10LL0955L)

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 6 to 20 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2016 and of the results, the changes in fund and cash flows of the Society for the year then ended.

At the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

The Management Committee, comprising the following, authorised the issue of these financial statements on

Chew Swen Ling@ Shi Fa Qian
Ng Kok Eng@ Shi Fa Rong
Low Soo Gek@ Shi Fa Zun
Tan Chai Lian
Goh Siew Hwa@ Shi Fa Xuan
Toh Keng Geok@ Shi Fa Qing
Cheong Kwai Sim
Janet Lim Poh Thung
Lim Chin Seng

President
First Vice President
Second Vice President
Honorary Treasurer
Assistant Honorary Treasurer
Honorary Secretary
Assistant Honorary Secretary
Committee Member
Committee Member

For and on behalf of the Management Committee,



Chew Swen Ling@ Shi Fa Qian
President 4 APR 2017



Tan Chai Lian
Honorary Treasurer

Singapore,

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

Independent auditor's report to the members of:

SAGARAMUDRA BUDDHIST SOCIETY

[UEN. S88SS0090C]
[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **Sagaramudra Buddhist Society** (the "Society"), which comprise the statement of financial position as at 31 December 2016, and the statement of financial activities, statement of changes in fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 ("the Society Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Charities Accounting Standards in Singapore ("CAS") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2016 and the results, changes in fund and cash flows of the Society for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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 Management Committee's Statement set out on page 2 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.

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

(CONT'D)

Independent auditor's report to the members of:

SAGARAMUDRA BUDDHIST SOCIETY

[UEN. S88SS0090C]

[Registered under the Societies Act (Chapter 311) in the Republic of Singapore]

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 CAS, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

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

Fiducia LLP

Public Accountants and
Chartered Accountants of Singapore

71 Ubi Crescent
Excalibur Centre #08-01
Singapore 408571
T: (65) 6846.8376
F: (65) 6725.8161

(CONT'D)

Independent auditor's report to the members of:

SAGARAMUDRA BUDDHIST SOCIETY

[UEN. S88SS0090C]

[Registered under the Societies Act (Chapter 311) in the Republic of
Singapore]

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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



Fiducia LLP

Public Accountants and
Chartered Accountants
Singapore,

4 APR 2017

Partner-in-charge: Lee Choon Keat
PAB. No.: 01721

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	2016 S\$	2015 S\$
INCOME		
Voluntary income		
Donations boxes	114,768	108,435
General donations received	160,310	102,218
Monthly donations received	45,197	46,212
	<u>320,275</u>	<u>256,865</u>
Investment income		
Bank interest income	256	308
Fixed deposits interest income	8,413	56,994
	<u>8,669</u>	<u>57,302</u>
Income from charitable activities		
Birthday blessing	1,849	2,204
Chanting service	21,900	23,800
Course fee	47,297	45,316
Members entrance and subscription fees	56,405	56,640
Lamp offering	106,800	106,950
Observance of 8 precepts	3,668	3,558
Qing Ming prayer ceremony	83,883	76,784
Seventh month prayer ceremony	198,173	186,571
Shui Chan prayer ceremony	132,799	118,076
Si shi gong yang	89,542	84,063
Solemnization services	180	540
Taiji class	2,640	2,745
Vesak day prayer ceremony	42,215	41,878
Xin Chun prayer ceremony	69,551	63,180
	<u>856,902</u>	<u>812,305</u>
Other income		
Other income	18,110	4,108
	<u>18,110</u>	<u>4,108</u>
TOTAL INCOME	<u>1,203,956</u>	<u>1,130,580</u>

**STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016
(CONT'D)**

	Note	2016 S\$	2015 S\$
LESS: EXPENDITURE			
Cost of charitable activities			
Birthday blessing expenses		35	272
Bursary funds		0	2,000
Chanting services		4,850	5,840
Course expenses		27,145	25,115
Donations		12,900	13,450
Food and refreshment		9,205	5,182
Mid-Autumn festival expenses		4,211	4,103
PCH of praying materials/food		1,702	84
Qing Ming prayer expenses		4,587	3,729
Reverends' allowances		61,200	61,200
Seventh month prayer expenses		15,718	16,056
Shui Chan prayer expenses		2,512	2,243
Si Shi Gong Yang expenses		681	2,376
Solemnization service		50	100
Subscription		50	50
Vesak day prayer expenses		2,135	2,045
Xin Chun prayer expenses		2,158	2,905
		<u>149,139</u>	<u>146,750</u>
Governance and administrative costs			
Accounting services		4,200	4,200
Advertisements		2,003	50
Audit fees		3,424	3,424
Bank charges		3,222	3,470
Cleaning services		4,621	4,367
Depreciation of property, plant and equipment	8	103,026	64,984
General expenses		309	913
Gifts and condolences		0	404
Insurance		13,862	12,177
Leasing rental		4,520	4,520
Newsletter and publication		41,184	43,995
Newspaper and periodical		748	1,428
Low-value assets written off		5,078	1,458
Postage and stamps		342	715
Printing and stationery		2,986	2,395
Property tax		5,912	4,656
Rental @ 705 Sims drive		24,000	24,000
Staff costs	5	188,373	187,146
Telephone expenses		4,707	5,330
Transportation		3,589	120
Upkeep of air conditioning		7,400	5,130
Upkeep of computers		6,784	1,101
Balance c/f		<u>430,290</u>	<u>375,983</u>

STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016
(CONT'D)

	2016 S\$	2015 S\$
LESS: EXPENDITURE (Cont'd)		
Governance and administrative costs (Cont'd)		
Balance b/f	430,290	375,983
Upkeep of office equipment	5,093	6,903
Upkeep of vehicles	2,630	9,635
Upkeep of premises - 5 Lorong 29 Geylang	15,969	9,608
Upkeep of premises - 574 Changi Road	1,488	900
Utilities	25,346	27,993
	<u>480,816</u>	<u>431,022</u>
TOTAL EXPENDITURE	<u>629,955</u>	<u>577,772</u>
Net income for the year	574,001	552,808
Total fund brought forward	<u>11,442,247</u>	<u>10,889,439</u>
Total fund carried forward	<u>12,016,248</u>	<u>11,442,247</u>

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

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
ASSETS			
Current assets			
Cash and cash equivalents	6	1,370,552	4,263,664
Other receivables	7	<u>19,883</u>	<u>861,878</u>
		1,390,435	5,125,542
Non-current asset			
Property, plant and equipment	8	<u>10,823,066</u>	<u>6,473,289</u>
Total assets		<u>12,213,501</u>	<u>11,598,831</u>
LIABILITY			
Current liability			
Other payables	9	<u>197,253</u>	<u>156,584</u>
Total liability		<u>197,253</u>	<u>156,584</u>
NET ASSETS		<u>12,016,248</u>	<u>11,442,247</u>
UNRESTRICTED FUND			
General Fund	10	<u>12,016,248</u>	<u>11,442,247</u>

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

STATEMENT OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	Balance at beginning of year S\$	Net income for the year S\$	Balance at end of year S\$
2016				
UNRESTRICTED FUND				
General Fund	10	<u>11,442,247</u>	<u>574,001</u>	<u>12,016,248</u>
2015				
UNRESTRICTED FUND				
General Fund	10	<u>10,889,439</u>	<u>552,808</u>	<u>11,442,247</u>

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

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
Cash flows from operating activities			
Net income for the year		574,001	552,808
Adjustments for:			
- Depreciation of property, plant and equipment	8	103,026	64,984
- Gain on disposal of property, plant and equipment		(14,000)	0
- Fixed deposits interest income		(8,413)	(56,994)
Operating cash flow before working capital changes		654,614	560,798
Changes in operating assets and liabilities			
- Other receivables		817,406	(820,725)
- Other payables		40,669	68,023
Net cash provided by/ (used in) operating activities		<u>1,512,689</u>	<u>(191,904)</u>
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		14,000	0
Purchase of property, plant and equipment	8	(4,452,803)	(10,053)
Fixed deposits interest received		33,002	38,385
Net cash (used in)/ provided by investing activities		<u>(4,405,801)</u>	<u>28,332</u>
Net decrease in cash and cash equivalents		(2,893,112)	(163,572)
Cash and cash equivalents at beginning of financial year		4,263,664	4,427,236
Cash and cash equivalents at end of financial year	6	<u>1,370,552</u>	<u>4,263,664</u>
Cash and cash equivalents comprise:			
Cash in hand		2,692	2,386
Cash in banks		138,029	223,367
Fixed deposits		1,229,831	4,037,911
	6	<u>1,370,552</u>	<u>4,263,664</u>

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

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1. General information

Sagaramudra Buddhist Society ("the Society") was registered under the Societies Act (Chapter 311) on 18 January 1988. The Society became a registered charity under the Charities Act (Chapter 37) on 22 February 1991. The address of its registered office and principal place of business are located at 5 Lorong 29 Geylang, Singapore 388060.

The principal objective of the Society is to propagate Buddhist faith by studying the teachings of Buddha.

These financial statements are presented in Singapore Dollar (S\$), which is the Society's functional currency.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Charities Accounting Standard ("CAS") and disclosure requirements of Societies Act (Chapter 311) and Charities Act (Chapter 37). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with CAS requires management to exercise its judgement in the process of applying the Society's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 3.

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable in the ordinary course of the Society's activities. Income is recognised as follows:

2.2.1 Donations

Donations are recognised in the statement of financial activities upon receipt. Donations-in-kinds are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Interest income

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

2.2.3 Other income

Other income is recognised when received.

2. Significant accounting policies (Cont'd)

2.3 Property, plant and equipment

2.3.1 Measurement

Property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation.

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any costs that are directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

2.3.2 Depreciation

Freehold land is not depreciated. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

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

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

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are recognised in the statement of financial activities in the financial year in which the changes arise.

2.3.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that have already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in statement of financial activities during the financial year in which it is incurred.

2.3.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposals proceeds and its carrying amount is taken to the statement of financial activities.

2.4 Financial assets

2.4.1 Recognition and measurement

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

Receivables are subsequently measured at cost less accumulated impairment losses.

2. Significant accounting policies (Cont'd)

2.4 Financial assets (Cont'd)

2.4.2 Derecognition

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Society has transferred substantially all risks and rewards of ownership.

2.4.3 Impairment

The Society assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

An allowance for impairment of other receivables is recognised when there is objective evidence that the Society will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognised in the statement of financial activities within "Governance and administrative costs".

Subsequently, if the amount of an impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss will be reversed. The reversal will not result in any carrying amount of the financial asset (net of any allowance account) that exceeds what the carrying amount would have been had the impairment not previously been recognised. The amount of reversal is recognised in the statement of financial activities.

2.5 Leases

Operating leases

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of financial activities on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to income statement. Contingent rents are recognised as an expense in the income statement in the financial year in which they are incurred.

2.6 Financial liabilities

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

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

2. Significant accounting policies (Cont'd)

2.7 Provisions for other liabilities and charges

Provisions for other liabilities and charges are recognised when the Society has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

2.8 Employee compensation

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contribution to defined contribution plans are recognised as employee compensation expense when they are due.

2.9 Cash and cash equivalents

Cash and cash equivalents include cash in hand, deposits with financial institutions that are subject to an insignificant risk of change in value.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

3.1 Critical judgements in applying the Society's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

3.1.1 Estimated useful lives of property, plant and equipment

The Society reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

4. Income tax

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

5. Staff costs

Included in the expenses expended are the following staff costs:

	2016 S\$	2015 S\$
Bonus	30,485	25,310
CPF contributions	26,426	26,123
Medical expenses	1,489	864
SDL	347	345
Staff salaries	128,220	132,907
Staff insurance	1,406	1,520
Staff uniform	0	77
	<u>188,373</u>	<u>187,146</u>

6. Cash and cash equivalents

	2016 S\$	2015 S\$
Cash in hand	2,692	2,386
Cash at banks	<u>138,029</u>	<u>223,367</u>
	140,721	225,753
Fixed deposits	<u>1,229,831</u>	<u>4,037,911</u>
	<u>1,370,552</u>	<u>4,263,664</u>

Fixed deposits at the reporting date had an average maturity within 4 months (2015: within 12 months) from that date and an effective interest rate of 1.09% (2015: 1.43%) per annum.

7. Other receivables

	2016 S\$	2015 S\$
Deposits	4,720	827,320
Prepayments	11,307	6,113
Fixed deposits interest receivables	<u>3,856</u>	<u>28,445</u>
	<u>19,883</u>	<u>861,878</u>

8. Property, plant and equipment

	Balance at beginning of year S\$	Additions S\$	(Disposal/ Written off) S\$	Balance at end of year S\$
2016				
Cost				
Freehold land	4,542,600	0	0	4,542,600
Freehold building	2,215,310	0	0	2,215,310
Freehold land and building	0	4,254,771		4,254,771
Buddha statue	270,074	0	0	270,074
Motor vehicles	105,000	158,000	(57,000)	206,000
Office equipment	219,606	30,532	(5,329)	244,809
Furniture and fittings	72,839	9,500	0	82,339
Renovation	626,829	0	0	626,829
	<u>8,052,258</u>	<u>4,452,803</u>	<u>(62,329)</u>	<u>12,442,732</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Freehold land	0	0	0	0
Freehold building	482,309	44,306	0	526,615
Freehold land and building	0	0	0	0
Buddha statue	101,146	9,003	0	110,149
Motor vehicles	105,000	31,600	(57,000)	79,600
Office equipment	190,848	16,217	(5,329)	201,736
Furniture and fittings	72,838	1,900	0	74,738
Renovation	626,828	0	0	626,828
	<u>1,578,969</u>	<u>103,026</u>	<u>(62,329)</u>	<u>1,619,666</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Freehold land	4,542,600			4,542,600
Freehold building	1,733,001			1,688,695
Freehold land and building	0			4,254,771
Buddha statue	168,928			159,925
Motor vehicles	0			126,400
Office equipment	28,758			43,073
Furniture and fittings	1			7,601
Renovation	1			1
	<u>6,473,289</u>			<u>10,823,066</u>

8. Property, plant and equipment (Cont'd)

	Balance at beginning of year S\$	Additions S\$	(Disposal/ Written off) S\$	Balance at end of year S\$
2015				
Cost				
Freehold land	4,542,600	0	0	4,542,600
Freehold building	2,215,310	0	0	2,215,310
Buddha statue	270,074	0	0	270,074
Motor vehicles	105,000	0	0	105,000
Office equipment	210,992	10,053	(1,439)	219,606
Furniture and fittings	72,839	0	0	72,839
Renovation	630,084	0	(3,255)	626,829
	<u>8,046,899</u>	<u>10,053</u>	<u>(4,694)</u>	<u>8,052,258</u>
	Balance at beginning of year S\$	Depreciation charge S\$	(Written back/off) S\$	Balance at end of year S\$
Accumulated depreciation				
Freehold land	0	0	0	0
Freehold building	438,003	44,306	0	482,309
Buddha statue	92,143	9,003	0	101,146
Motor vehicles	105,000	0	0	105,000
Office equipment	181,900	10,387	(1,439)	190,848
Furniture and fittings	72,838	0	0	72,838
Renovation	628,795	1,288	(3,255)	626,828
	<u>1,518,679</u>	<u>64,984</u>	<u>(4,694)</u>	<u>1,578,969</u>
	Balance at beginning of year S\$			Balance at end of year S\$
Net book value				
Freehold land	4,542,600			4,542,600
Freehold building	1,777,307			1,733,001
Buddha statue	177,931			168,928
Motor vehicles	0			0
Office equipment	29,092			28,758
Furniture and fittings	1			1
Renovation	<u>1,289</u>			<u>1</u>
	<u>6,528,220</u>			<u>6,473,289</u>

In 2016, the addition to the freehold land and building totalling to S\$4,254,771 includes freehold land cost. It is impractical to allocate the cost of the freehold property to the portion relating to the freehold land.

The freehold land and building totalling to S\$ 10,486,066 (2015: S\$ 4,542,600) is held in trust on behalf of Syn Kok Hong @ Shi Fa Yuan, Tan Quee Kee @ Shi Fayi and Quek Teck Sae @ Shi Faliang.

9. Other payables

	2016 S\$	2015 S\$
Prayer ceremony in advance	60,940	49,570
Subscription in advance	37,980	33,620
Other payables	12,797	19,020
Accruals	35,536	4,374
Deferred income	50,000	50,000
	<u>197,253</u>	<u>156,584</u>

10. General Fund

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

11. Related party transactions

Related parties are entities with one or more common management committee members. Parties are considered to be related if one party has the ability to control the other party or exercise influence over the party in making financial and operating decisions.

The following transactions took place between the Society and related party during the financial year at terms agreed between the parties:

	2016 S\$	2015 S\$
Course expenses	7,080	5,600
Rental @ 705 Sims drive	24,000	24,000
Reverends' allowances	<u>33,710</u>	<u>34,755</u>

12. Operating lease commitment

The Society leases office premises under non-cancellable operating lease agreement from a related party. The lease has varying terms, escalation clauses and renewal rights.

	2016 S\$	2015 S\$
Not later than one year	24,000	10,000
Later than one year but not later than five years	<u>10,000</u>	<u>0</u>

13. Capital commitment

Purchase of freehold land and building contracted for at the reporting date but not recognised in the financial statements is as follows:-

	2016 S\$	2015 S\$
Property, plant and equipment	0	3,600,000
Less: Deposits	<u>0</u>	<u>(180,000)</u>
	<u>0</u>	<u>3,420,000</u>

14. Financial risk management

The Society's activities expose it to minimal financial risks and overall risk management is determined and carried out by the Management Committee of the Society on an informal basis.

Currency risk

The Society is not exposed to foreign exchange risk as most of its transactions are in Singapore Dollar.

Interest rate risk

The Society is exposed to interest rate risk through the impact of rate changes on interest bearing assets and liabilities. The interest bearing assets comprise bank balances and fixed deposits which are short-term in nature. Any short-term fluctuation in interest rates will not significantly affect the Society. No sensitivity analysis is prepared as the Society does not expect any material effect on the Society's profit or loss arising from the effects of reasonably possible changes in interest rates on interest-bearing financial instruments at the end of the reporting period.

Credit risk

The Society is exposed to credit risk in the event that counterparties fail to perform their obligations, resulting in a financial loss to the Society.

The major classes of financial assets of the Society are bank deposits. For other financial assets, the Society adopts the policy of dealing only with high credit quality counterparties.

Liquidity risk

The Society adopts prudent liquidity risk management by maintaining sufficient cash and cash equivalents to finance its activities and minimize the liquidity risk.

Fair Values

The carrying amounts of the financial assets and liabilities recorded in the financial statements of the Society approximate their fair values due to their short-term nature.

15. Fund management policy

The primary objective of the Society is to ensure it maintains sufficient cash in order to support its activities. Its approach to fund management is to balance the allocation of cash and the incurrence of debt. Available cash is deployed primarily to cover operational requirements.

16. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on