



ANNUAL REPORT

Year Ended 31 December 2022

Introduction

Di Zang Lin (“DZL” or the “Charity”) was first founded in 1997 and registered as a legal Society in October 2002. Di Zang Lin was subsequently registered under the Charities Act in May 2011 (Unique Entity Number: T02SS0181A).

DZL’s registered Address is at 469 Macpherson Road #03-01, Gnoh Hock Building, Singapore 368186. DZL’s website is <https://www.dizanglin.org>.

As of the date of this report, DZL bears only one address and shares no affiliation with any other entities.

Management Committee

The Management Committee is responsible for the affairs of DZL and to ensure that it operates in accordance with the Constitution. The following are the committee members as of 31 December 2022:

Venerable Shi You Wei President Buddhist Monk	
Ang Wei Xiang Secretary Engineer	Tan Si Hong Asst. Secretary Financial Consultant
Low Junsheng Johnson Treasurer Asst Manager	Tan Ching Leng Bobby Asst. Treasurer Accountant
Ng Kim Kiat Member Retiree	Teh Gaik Peng Member Customer Service Executive
Seah Geok Huay Member Self-employed	Lim Jun Wean, Joey Member Hairstylist
Ng Xin Yi Member IT Systems Engineer	Goh Lay Ling Member Asst Manager



Audit Details

Banker: UOB Bank Ltd

Auditor: SSKM Practice PAC

Vision

DZL aims to be a Mahayana temple with a difference, by actualising the teachings of the Buddha through emulating the Ksitigarbha Bodhisattva's aspirations by active involvement in charitable community works.

Mission and Objectives

DZL's mission is to promote the teachings of the Buddha and impart Buddhist moral ethics. It aims to achieve this via the below areas:

- ✔ Promote the Buddhist Teachings and moral education through participation in the various religious activities such as rituals and courses.
- ✔ Cultivate the Teachings through active involvement in charitable works.

Policies

Funding Sources

DZL is financially supported by donations from members and devotees. It is also supplemented by revenues generated from the various religious activities that DZL conducts.

Memberships

Applications for ordinary membership is open to the public in general and specifically, Buddhist friends and family of the current members. Members are entitled to vote at the general meetings and given priority in registration for the various charitable activities that DZL conducts.

Review of 2022 Activities

2022 marked a year of recovery and a reversion. With the efforts of the Nation to push for vaccination across the population and easing of safe-distancing measures, DZL was able to resume most of its activities to pre-pandemic levels.

- ✓ While DZL was able to resume in-person activities, it embraced the lessons learnt from the pandemic and continued to promote the importance of individual responsibility to its devotees.
- ✓ Devotees who attended in-person activities were required to be vaccinated and register online so that information on attendance was ready on-hand. This enabled DZL to be ready should there be a need to activate contact tracing requests by the regulators. Registering online also helps DZL plan and allocate resources more effectively. For instance, it was able to anticipate the number of attendees and cater space and meals more accurately, reducing wastage as a result.
- ✓ DZL recognised that its efforts to connect and engage with the less internet savvy devotees during the pandemic were not as effective as they were less able to adapt with measures such as live-streamed prayer sessions and online registrations. With the easing of covid related rules, DZL took the opportunity to invite past devotees who have not been going to its premises since the pandemic started. Volunteers were deployed to demonstrate to this group of devotees the steps to access prayer sessions online and how to complete online registration for prayer sessions, to increase awareness and hopefully this group of devotees can benefit from the IT infrastructure as well.




 LYYS
Gift yourself

「陵陽雅肆」 or "LYYS" depicts a quiet scene of a quaint atelier atop Mount Jiu Hua. Within this shop are items which you might "Gift Yourself" with. Our offering is the most beautiful instrument to practice "Dana".

All proceeds from "LYYS" shall be directed to charitable causes of Di Zang Lin.

What better way to gift yourself than merits from offering real Dana.

Categories

58 Items

Sort By: Default

Products

Gifts



- ✔ DZL has always recognised the value of having a reliant and up-to-date IT infrastructure, and has continued to invest in its IT capabilities. One example was the data collation exercise to link up each devotees' subscriptions to past prayer events. The benefit was two-fold. Each member is now able to view their past subscription to the various prayer events, hence reducing the time that is needed to re-key the information if there are minimal changes from prior year. For DZL, this functionality saved a huge number of man hours as what used to be a manual keying-in exercise is now automated.
- ✔ Many devotees were receptive of online subscription methods since DZL's website launch in 2020, as can be seen from the growth in online subscriptions from the finance report. In a continuous effort to stay relevant to an increasingly IT-savvy membership base, DZL revamped its website after three years so as to further enhance the user experience through better navigation tools. Besides retaining the essentials such as prayer registrations, donations and event calendars, media coverage and links to Facebook, Instagram and Youtube were added. These are groups where DZL maintains an online presence and posts event coverage as well as recordings of past prayer sessions and activities.
- ✔ DZL decided to return to its religious roots and in line with its responsibility to propagate the Buddha's Teachings including educational research, DZL pledged \$100,000 over 3 years to support scholarships and fellowships in Buddhist Studies awarded by the NUS Faculty of Arts and Social Sciences (FASS).

- ✓ The President, Venerable You Wei, was part of a Singapore delegation of 36 monastics who visited Thailand during September 2022 in the inaugural Singapore-Thailand Sangha Fellowship. This was part of an effort to cultivate cross-nation relations with monastics in Thailand, providing an opportunity for the monastics from both countries to learn from each other through dialog and collaboration, and also to continue to promote the relevance of the Buddha’s teachings on society now and into the future. Devotees at DZL were offered the opportunity to contribute towards the event via offerings of monastic robes and food.
- ✓ DZL’s founder, Ven Zhen Dao, started out DZL by purchasing a unit along Geylang Lorong 12. After his passing in 2005, DZL’s executive committee could not come to an agreement with the other trustees of the property regarding its future ownership and plans. After 17 years and numerous discussions, DZL managed to gain possession of the property and it is currently held on trust in accordance with its Constitution.
- ✓ In recognition of the efforts put in by the volunteers since the pandemic, a team-bonding event was held at WeTuft during December. Volunteers learnt a new skill and also managed to network at the same time. This was the first volunteer get-together since the pandemic started.
- ✓ Due to the pandemic, DZL’s plans to propagate the Dharma had to be put on hold. With the easing of restrictions, DZL revisited those plans in 2022. There will be two events held in 2023: (1) a trip to Kuala Lumpur in July 2023 to participate in the recitation of the Diamond Sutra Liturgy, which Venerable You Wei took charge to modernise the musical tune in 2022. (2) a collaboration with Asia Musical Productions, a Buddhist musical company, to showcase the musical <<遇见观音>>, to be held at the Victoria Theatre and Concert Hall in November 2023.



Activities

DZL conducted the following non-religious events for calendar year 2022:

ACTIVITY	DURATION	DESCRIPTION
Marine Parade Food Distribution	Weekly	Distributing Dinner Bento and Groceries in Marine Parade

Calendar of Events

DZL conducted the following religious events for calendar year 2022:


ACTIVITY	DURATION
Weekly Congregation	Weekly
Ksitigarbha Repentance Liturgy	Monthly
Year End offering to Buddha and Devas	1 January
Maitreya Buddha New Year Blessing	1 February
Offering to Grand Duke	12 February
Grand Offering to Buddha and Devas	13 February
New Year Blessing	23 February
Spring Remembrance	16 April
Vesak Puja – Thousand Buddha Repentance Puja	1, 2, 8 May
Vesak Puja - Bathing of Prince Siddhartha	8 May
Vesak Puja – Refuge Taking and Vesak Puja	15 May
Ksitigarbha Ullambana Puja - Invitation of Souls	29 July
Ksitigarbha Ullambana Puja - Emperor Liang Repentance Puja	6/7/8/9 August
Ksitigarbha Ullambana Puja - Vows of Ksitigarbha Bodhisattva Sutra	26 August
Ksitigarbha Ullambana Puja - Ten-Wheels Sutra of Ksitigarbha	30/31 July, 10/14 August
Ksitigarbha Ullambana Puja - Sutra for the Discernment of the Consequences of Wholesome and Unwholesome Karma	17/24 August
Ksitigarbha Ullambana Puja – Ullambana Sutra	12 August
Ksitigarbha Ullambana Puja – Sutra on Parental Benevolence	12 August
Ksitigarbha Ullambana Puja - Compassionate Samadhi Water Repentance	27 August
Founder’s Memorial	22 October
Medicine Buddha Puja	23 October



Review of Financial State and Explanation of Major Financial Transactions

Financially, 2022 went back to pre-covid years and DZL registered a loss of approximately \$82,000. Revenue decreased by approximately 7.8% and expenses increased by approximately 23.0%. The movements in revenue and expense were in line with expectations as mentioned during the 2021 annual report, with the increase in expenses mainly due to the expenses incurred on the property at Geylang Lorong 12 (as explained in detail below), the general increase in cost of offering items as well as resumption of devotee welfare such as meals during prayer sessions. Please refer to Appendix A for the analysis of DZL's operations for the year 2022 as well as its financial position as at 31 December 2022.

DZL continued to see a healthy growth in the online subscriptions, approximately 60.1% of all revenue received came through DZL's website compared to 47.8% in 2021. Approximately 43.9% of overall revenue for the major prayer event registrations came from online registrations. Starting from 2020, online subscriptions provided an opportunity for DZL to automate the entire registration process, thereby reducing the manpower required to key in the details from the manual subscription forms. This frees up the human resources to focus on the preparation of puja events.

A hand holding a white pen is positioned over a laptop keyboard. A semi-transparent blue bar chart with seven bars of varying heights is overlaid on the right side of the image. The background is a blurred office setting with a laptop and a person's face partially visible.

DZL also continued to see a healthy growth of donations received via 陵陽雅肆 (“LYYS”), DZL’s online donation portal for blessing and charity initiatives. Approximately 20.8% of all donations received in 2022 came through LYYS compared with 6.2% in 2021. DZL has been receiving donations via its website for the food distribution program it runs in conjunction with WeCare @ Marine Parade, and has been able to collect in advance the amount needed for meals and groceries; this helped DZL to plan in advance the logistics before the actual distribution day.

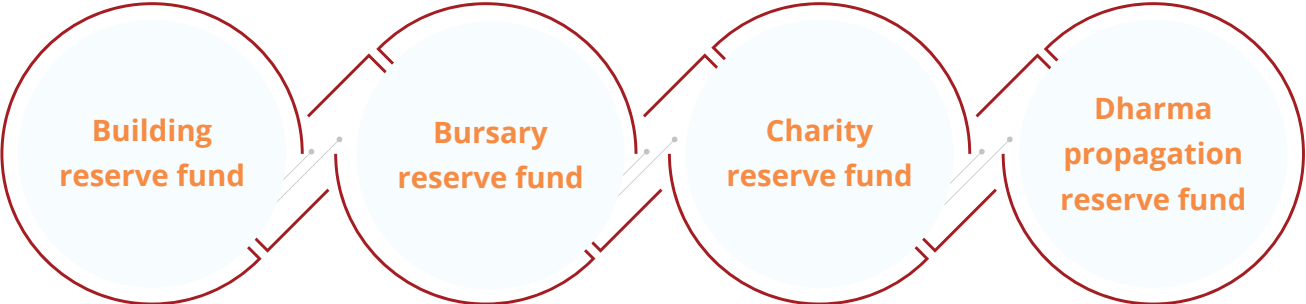
As highlighted in the secretarial report, DZL committed to sponsor \$100,000 towards the Buddhist Studies Scholarship awarded by the National University of Singapore. This commitment will wipe out all the past excesses that DZL has accumulated for bursaries. DZL does not expect to draw on the Bursary Reserve Fund for this purpose.

The donation of the property at Geylang Lorong 12 came with certain conditions, one of them being DZL agreed to reimburse the past maintenance expenses of the property, amounting to approximately \$66,000 incurred by the ex-trustees. The reimbursement was taken from the accumulated fund; DZL did not draw on the Building Reserve Fund for any expenses incurred in relation to the donated property.

DZL expects the pressure on revenue to remain, especially in the light of the rising cost of living amid economic uncertainty caused by the Russia-Ukraine conflict. DZL has also seen other Buddhist organisations tapping into the internet to promote their activities over the past 2 years, this is likely to continue post COVID. As forecasted, DZL experienced the increase in expenditure affecting its bottom line, and it is trying to source for cheaper alternatives to reduce its expenditure outlay. DZL expects a bigger squeeze to its net surplus for 2023 taking into account the programs it is planning to run for the year.

Reserves Policy

DZL’s reserve policy is to set aside a minimum of 2 years’ estimated expenditure for specific purposes, which includes recurring activities currently conducted by DZL. As at 31 December 2022, DZL has 4 reserve funds, as follows:



The building reserve fund is to be used solely for the purpose of purchasing a permanent premise for DZL.

The bursary reserve fund is the accumulated surplus of donations for the purpose of awarding bursaries to students from the less well-to-do families who have demonstrated academic excellence.

The charity reserve fund was established to ensure that DZL can continue to service its charitable initiatives in the event it is unable to source adequate funding for the year’s ongoing expenses.

The Dharma propagation reserve fund is the surplus of donations from members and devotees for the propagation of the Buddha’s teachings.





The below table shows the position of DZL's reserves as of the end of 2022 and 2021:

	2022	Ratio ¹	2021	Ratio ¹	% Increase / (Decrease)
Restricted Funds					
Building Reserve Fund	1,774,056	N/A	1,720,088	N/A	3.1%
Bursary Reserve Fund	85,000	1.7:1	85,000	2.41:1	0%
Charity Reserve Fund	40,000	1.02:1	40,000	0.98:1	0%
Dharma Propagation Reserve Fund	80,000	3.90:1	80,000	1.01:1	0%
Unrestricted Fund					
Accumulated Fund	518,368	0.66:1	600,404	0.83:1	13.7%
Total Funds²	2,497,424		2,525,492		12.53%

¹ Ratio of Funds to annual expenditure

² Total funds include unrestricted and restricted funds

Review and Changes in the Policies

There were no changes to the Constitution and Policies of DZL for the year then ended and as of the date of this report.

Appendix A

2022 年審計報告

Balance Sheet as at 31 December 2022

	S\$	S\$
CURRENT ASSETS		
Expenses prepaid for 2023 activities	166,791	
Deposits	68,677	
Inventory	19,068	
Encumbered cash	1,979,056	
Unencumbered cash	<u>473,641</u>	2,707,233
CURRENT LIABILITIES		
Revenue received in advance for 2023 activities	(336,016)	
Other payables	(9,614)	
Lease liabilities	<u>(261,725)</u>	<u>(607,355)</u>
NET CURRENT ASSETS		<u>2,099,878</u>
NON-CURRENT ASSETS		
Furniture, fittings and equipment	58,763	
Computer equipment and software	86,457	
Temple leases	245,246	
Renovation	17,044	
Property	<u>1,466,253</u>	1,873,763
NON-CURRENT LIABILITIES		
Revenue received in advance for activities beyond 2023	(58,584)	
Deferred income – property	<u>(1,417,633)</u>	<u>(1,476,217)</u>
NET ASSETS		<u>2,497,424</u>
RESERVE FUND		
Beginning of the year		2,525,492
Movement		<u>(28,068)</u>
End of the year		<u>2,497,424</u>
Represented by:		
Building reserve fund (2021: \$1,720,088)		1,774,056
Bursary reserve fund (2021: \$85,000)		85,000
Charity reserve fund (2021: \$40,000)		40,000
Dharma propagation reserve fund (2021: \$80,000)		80,000
Accumulated fund (2021: \$600,404)		518,368

Appendix A

2022 年審計報告 (Continued)

Income and Expenditure for the year ended 31 December 2022

	2022 S\$	2021 S\$
GENERAL OPERATIONS		
Income	405,010	528,217
Expenditure	<u>(854,071)</u>	<u>(719,132)</u>
NET LOSS FROM GENERAL OPERATIONS	<u>(449,061)</u>	<u>(190,915)</u>
DZL ACTIVITIES		
Income	701,143	671,096
Expenditure	<u>(334,118)</u>	<u>(246,557)</u>
NET INCOME FROM DZL ACTIVITIES	<u>367,025</u>	<u>424,539</u>
(DEFICIT)/SURPLUS FOR THE YEAR	<u>(82,036)</u>	<u>233,624</u>

地藏林

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

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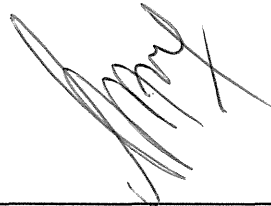
DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

STATEMENT BY THE MEMBERS OF THE EXECUTIVE COMMITTEE

We, LEE SIEW HOONG @ SHI FA CHENG, ANG WEI XIANG and LOW JUNSHENG JOHNSON, being the President, Hon. Secretary and Hon. Treasurer respectively of DI ZANG LIN (the "Charity") do hereby state that in the opinion of the Executive Committee, the accompanying financial statements are properly drawn up in accordance with the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Charity as at 31 December 2022 and of the financial performance, changes in funds and cash flows for the year ended.

On behalf of the Executive Committee



LEE SIEW HOONG @ SHI FA CHENG
President (2022/2024)



ANG WEI XIANG
Hon. Secretary (2022/2024)



LOWJUNSHENG JOHNSON
Hon. Treasurer (2022/2024)

6 June 2023
SINGAPORE

SSKM PRACTICE PAC

Company Registration No. 201933747H
351 Jalan Besar #02-05
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Email: sec@sskm.com.sg

Directors:

Lim Siong Sheng	FCA	林双盛
Ng Kuan Mei	FCA	伍锦美

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DI ZANG LIN (Registered under Charities Act 1994 and Societies Act 1966)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of DI ZANG LIN (the "Charity"), which comprise the balance sheet as at 31 December 2022, and the statement of comprehensive income, statement of changes in accumulated and miscellaneous funds 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 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 give a true and fair view of the financial position of the Charity as at 31 December 2022 and of the financial performance, 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 Statement by the Executive Committee 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 and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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.

Responsibilities of Executive Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Societies Act, the Charities Act and Regulations and FRSs, and for such internal control as 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.

The Executive Committee Members' responsibilities include overseeing the Charity's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Charity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Charity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Charity to cease to continue as a going concern.

- 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 the Executive Committee Members 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 Societies Act and Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year the Charity has not complied with the requirements of Regulation 7 of the Charities (Fund-Raising Appeals for Local and Foreign Charitable Purposes) Regulations 2012.



SSKM PRACTICE PAC
Public Accountants and Chartered Accountants

6 June 2023
SINGAPORE
mn/lc/dh

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

BALANCE SHEET AS AT 31 DECEMBER 2022

	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
NON-CURRENT ASSET			
Property, plant and equipment	3	1,873,763	668,496
CURRENT ASSETS			
Inventories	4	19,068	-
Trade and other receivables	5	235,468	134,119
Cash and cash equivalents	6	2,452,697	2,521,490
		<u>2,707,233</u>	<u>2,655,609</u>
LESS: CURRENT LIABILITIES			
Other payables	7	404,214	333,849
Lease liabilities	8	213,959	203,039
		<u>618,173</u>	<u>536,888</u>
NET CURRENT ASSETS		2,089,060	2,118,721
NON-CURRENT LIABILITIES			
Lease liabilities	8	47,766	261,725
Deferred income	9	1,417,633	-
		<u>(1,465,399)</u>	<u>(261,725)</u>
NET ASSETS		<u>2,497,424</u>	<u>2,525,492</u>
TOTAL FUNDS			
<u>Unrestricted fund</u>			
Accumulated fund		518,368	600,404
<u>Restricted funds</u>			
Building reserve fund		1,774,056	1,720,088
Bursary reserve fund		85,000	85,000
Charity reserve fund		40,000	40,000
Dharma propagation reserve fund		80,000	80,000
	10	1,979,056	1,925,088
		<u>2,497,424</u>	<u>2,525,492</u>

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

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2022

INCOME	<u>Note</u>	Unrestricted Fund <u>2022</u> S\$	Unrestricted Fund <u>2021</u> S\$
Members entrance fees received		30	30
Members subscription fees received		4,680	5,940
Donation received		61,628	86,340
Donation-in-kind	9	2,367	-
Event fees collected - Bursary fund		43,840	21,450
Event fees collected - Charity meals and groceries		113,874	180,572
Event fees collected - Dana to Abbot		88,380	32,448
Event fees collected - Festival activities		556,419	478,745
Event fees collected - Gold Ksitigarbha		118,060	140,650
Event fees collected - Medicine Buddha lamp		49,700	42,000
Event fees collected - Printing of dharma materials		52,250	206,860
Fixed deposit interest received		3,233	3,898
Sales of incense	11	11,409	-
Other income		283	380
		<u>1,106,153</u>	<u>1,199,313</u>
LESS : EXPENDITURE	12	1,188,189	965,689
SURPLUS / (DEFICIT) BEFORE INCOME TAX		<u>(82,036)</u>	<u>233,624</u>
INCOME TAX	13	-	-
SURPLUS / (DEFICIT) AFTER INCOME TAX FOR THE YEAR		<u><u>(82,036)</u></u>	<u><u>233,624</u></u>

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

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

STATEMENT OF CHANGES IN ACCUMULATED AND MISCELLANEOUS FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022

	Unrestricted fund	Restricted funds					Total fund
	Accumulated fund	Building reserve fund	Bursary reserve fund	Charity reserve fund	Dharma propagation reserve fund	Total	
		S\$	S\$	S\$	S\$		
At 1.1.2021	366,780	1,672,454	85,000	40,000	80,000	1,877,454	2,244,234
Fund received	-	47,634	-	-	-	47,634	47,634
Surplus for the year	233,624	-	-	-	-	-	233,624
At 31.12.2021	600,404	1,720,088	85,000	40,000	80,000	1,925,088	2,525,492
Fund received	-	53,968	-	-	-	53,968	53,968
Deficit for the year	(82,036)	-	-	-	-	-	(82,036)
At 31.12.2022	518,368	1,774,056	85,000	40,000	80,000	1,979,056	2,497,424

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

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

STATEMENTS OF CASH FLOWS FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2022

	<u>2022</u> S\$	<u>2021</u> S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) before income tax	(82,036)	233,624
Adjustment for:		
Depreciation of property, plant and equipment	387,574	344,262
Interest expense on lease liabilities	19,561	45,973
Fixed deposit interest received	(3,233)	(3,898)
	321,866	619,961
(Increase)/Decrease in working capital:-		
Inventories	(19,068)	-
Trade and other receivables	(101,349)	(63,629)
Other payables	70,365	92,097
Deferred income	(2,367)	-
Cash generated from operations	269,447	648,429
Net cash inflow from operating activities	269,447	648,429
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(172,841)	(114,981)
Payment of principal portion of lease liabilities	(203,039)	(170,127)
Proceeds from building reserve fund	53,968	47,634
Interest expense on lease liabilities paid	(19,561)	(45,973)
Fixed deposit interest received	3,233	3,898
Net cash outflow from investing activities	(338,240)	(279,549)
Net increase/(decrease) in cash and cash equivalents	(68,793)	368,880
Cash and cash equivalents at beginning of year	2,521,490	2,152,610
Cash and cash equivalents at end of year (<i>Note 6</i>)	<u>2,452,697</u>	<u>2,521,490</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

These notes form an integral part of the accompanying financial statements.

1. GENERAL

The Charity (UEN T02SS0181A) is set up to promote the spiritualism of Lord Buddha and to propagate and study the teachings of Buddha and carry out charitable and religious activities.

The Charity's registered office and the principal place of business is at 469 Macpherson Road #03-01, Gnoh Hock Building, Singapore 368186.

The financial statements of the Charity for the financial year ended 31 December 2022 were authorised for issue by the Executive Committee on 6 June 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following are the significant accounting policies adopted in the preparation of these financial statements:

a. Basis of preparation

The financial statements have been prepared in accordance with the Societies Act 1966 (the Societies Act), the Charities Act 1994 and other relevant regulations (the Charities Act and Regulations) and Financial Reporting Standards in Singapore (FRSs).

The financial statements are presented in Singapore Dollars, which is the functional currency of the Charity.

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

In the current financial year, the Charity had adopted all the new and revised FRSs and Interpretations of FRSs ("INT FRSs") issued by the Accounting Standards Council that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements except as otherwise disclosed in Notes to the financial statements.

The management do not anticipate that the adoption in future periods of FRSs, INT FRSs and amendment to FRSs that were issued at the date of authorization of these financial statements but not yet effective, to have a material impact on these financial statements in the period of their initial adoption.

b. Property, plant and equipment

(i) Measurement

(aa) Land and buildings

Land and buildings are initially recognised at cost. Freehold land is subsequently carried at the revalued amount less accumulated impairment losses. Buildings and leasehold land are subsequently carried at the revalued amounts less accumulated depreciation and accumulated impairment losses.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

Land and buildings are revalued by independent professional valuers with sufficient regularity whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation including currency translation differences are recognised in other comprehensive income and accumulated in equity under the asset revaluation reserve, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in the income statement. Decreases in carrying amounts that offset previous increase of the same asset are recognised against the asset revaluation reserve. All other decreases in carrying amounts are recognised in the income statement.

(aa) Other property, plant and equipment

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

(bb) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is 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.

(ii) Depreciation

Property, plant and equipment are depreciated on a straight line basis so as to write off their cost over the estimated useful lives as follows:-

	<u>Numbers of years</u>
Leasehold buildings	Remaining lease period
Freehold property	50
Furniture and fittings	5
Office equipment	5
Computer & software	3
Air conditioner	5
Motor vehicle	5
Renovation	3

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

(iii) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has 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 company and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(iv) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings directly.

c. Inventories

Inventories are valued at the lower of cost and net realisable value. Cost is determined principally on a first-in first-out basis. The net realisable value is the estimated selling price in the ordinary course of business, less the cost of completion and selling expenses.

d. Receivables

Receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment, if any.

e. Cash and cash equivalents

Cash and cash equivalents comprise cash balances and bank deposits. For the purpose of the statement of cash flows, cash and cash equivalents form an integral part of the Charity's cash management.

f. Impairment of assets

An assessment is made at each balance sheet date to determine whether there is objective evidence that an asset may be impaired. If such evidence exists, the estimated recoverable amount of that asset is determined and any impairment loss is included in the income statement.

g. Payables

Payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

h. Leases

(i) When the Charity is the lessee:

At the inception of the contract, the Charity assesses if the contract contains a lease. A contract contains a lease if the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration. Reassessment is only required when the terms and conditions of the contract are changed.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

(aa) Right-of-use assets

The Charity recognised a right-of-use asset and lease liability at the date which the underlying asset is available for use. Right-of-use assets are measured at cost which comprises the initial measurement of lease liabilities adjusted for any lease payments made at or before the commencement date and lease incentive received. Any initial direct costs that would not have been incurred if the lease had not been obtained are added to the carrying amount of the right-of-use assets.

These right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

Right-of-use asset (except for those which meets the definition of an investment property) are presented within "Property, plant and equipment".

Right-of-use asset which meets the definition of an investment property is presented within "Investment properties".

(bb) Lease liabilities

The initial measurement of lease liability is measured at the present value of the lease payments discounted using the implicit rate in the lease, if the rate can be readily determined. If that rate cannot be readily determined, the Charity shall use its incremental borrowing rate.

Lease payments include the following:

- (i) Fixed payment (including in-substance fixed payments), less any lease incentives receivables;
- (ii) Variable lease payment that are based on an index or rate, initially measured using the index or rate as at the commencement date;
- (iii) Amount expected to be payable under residual value guarantees;
- (iv) The exercise price of a purchase option if is reasonably certain to exercise the option; and
- (v) payment of penalties for terminating the lease, if the lease term reflects the Charity exercising that option.

For contract that contain both lease and non-lease components, the Charity allocates the consideration to each lease component on the basis of the relative stand-alone price of the lease and non-lease component. The Charity has elected to not separate lease and non-lease component for property leases and account these as one single lease component.

Lease liability is measured at amortised cost using the effective interest method. Lease liability shall be remeasured when:

- (i) There is a change in future lease payments arising from changes in an index or rate;
- (ii) There is a changes in the Charity's assessment of whether it will exercise an extension option; or

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

- (iii) There are modification in the scope or the consideration of the lease that was not part of the original term.

Lease liability is remeasured with a corresponding adjustment to the right-of-use asset, or is recorded in the income statement if the carrying amount of the right-of-use asset has been reduced to zero.

(cc) Short term and low value leases

The Charity applies the short term lease recognition exemption to its short-term leases that have lease terms of 12 months or less and the low value assets recognition exemption to leases of assets that are considered to be low value. Lease payments relating to these leases are expensed to the income statement on a straight-line basis over the lease term.

(dd) Variable lease payments

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Charity shall recognise those lease payments in the income statement in the periods that triggered those lease payments.

(ii) When the Charity is the lessor:

(aa) Finance leases

Leases where the Charity has transferred substantially all risks and rewards incidental to ownership of the leased assets to the lessees, are classified as finance leases.

The leased asset is derecognised and the present value of the lease receivable is recognised on the balance sheet and included in "trade and other receivables". The difference between the gross receivable and the present value of the lease receivable is recognised as unearned finance income.

Each lease payment received is applied against the gross investment in the finance lease receivable to reduce both the principal and the unearned finance income. The finance income is recognised in the income statement on a basis that reflects a constant periodic rate of return on the net investment in the finance lease receivable.

Initial direct costs incurred by the Charity in negotiating and arranging finance leases are added to finance lease receivables and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

(bb) Operating leases

Leases where the Charity retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

Initial direct costs incurred by the Charity in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

i. Income tax

The Charity is exempt from income tax on income and gains under the Income Tax Act to the extent that these are applied to its charitable objects.

j. Related parties

A related party is a person or entity that is related to the reporting society.

(a) A person or close member of that person's family is related to the reporting entity if that person:

- (i) has control or joint control over the reporting entity;
- (ii) has significant influence over the reporting entity; or
- (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity.

(b) An entity is related to the reporting entity if any of the following conditions applies:

- (i) The entity and the reporting entity are members of the same group (which means that each parent, subsidiary corporation and fellow subsidiary corporation is related to the others).
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) Both entities are joint ventures of the same third party.
- (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. If the reporting entity is itself such a plan, the sponsoring employers are also related to the reporting entity.
- (vi) The entity is controlled or jointly controlled by a person identified in (a).
- (vii) The person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

k. Revenue recognition

Revenue is measured based on the 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 parties.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

Revenue is recognised when the Charity satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

- (i) Entrance and subscription fees received are recognised on cash basis.
- (ii) Donation received are recognised on cash basis.
- (iii) Event fees collected are recognised at a point of time when the particular event has taken place.
- (iv) Interest income is recognised using the effective interest method.
- (v) Sales of incense is recognised at a point of time of sale to the buyer.

l. Gifts in kind

A gift in kind is included in the accounts based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

m. Deferred income

Where the fund received are utilised for the purchase of depreciable assets, an equivalent amount is taken to the deferred income on the balance sheet.

The deferred income is recognised in the income statement over the periods necessary to match the depreciation of the property, plant and equipment. On disposal of an item of the property, plant and equipment, the balance of the related deferred income is recognised in the income statement to match the carrying amount of the property, plant and equipment disposed.

n. Employee benefits

(i) Defined contribution plan

As required by law, the Charity makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised as expenses in the same period as the employment that give rise to the contribution.

(ii) Employee leave entitlement

Employee entitlements to annual leave and long-service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long-service leave as a result of services rendered by employees up to the balance sheet date.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

o. Funds

(i) Unrestricted fund

Income and expenditure relating to the main activities of the Charity are accounted for through the Accumulated Fund.

(ii) Restricted funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the Restricted Funds.

p. Fair value of financial assets and liabilities

The carrying amounts of current financial assets and financial liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and financial liabilities are disclosed in the respective notes to the financial statements.

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT

<u>Cost / Valuation</u>	<u>Leasehold buildings</u>	<u>Freehold property</u>	<u>Furniture & fittings</u>	<u>Office equipment</u>	<u>Computer & software</u>	<u>Air-conditioners</u>	<u>Motor vehicle</u>	<u>Renovation</u>	<u>Total</u>
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1.1.2022	764,662	-	299,799	91,165	280,746	64,375	96,020	513,929	2,110,696
Additions	-	1,468,701	8,567	1,598	113,975	-	-	-	1,592,841
At 31.12.2022	764,662	1,468,701	308,366	92,763	394,721	64,375	96,020	513,929	3,703,537
Representing:									
Cost	764,662	-	308,366	92,763	394,721	64,375	96,020	513,929	2,234,836
Valuation - 2022	-	1,468,701	-	-	-	-	-	-	1,468,701
	764,662	1,468,701	308,366	92,763	394,721	64,375	96,020	513,929	3,703,537
<u>Accumulated depreciation</u>									
At 1.1.2022	318,008	-	268,070	48,567	178,725	48,783	76,816	503,231	1,442,200
Charge for the year	201,408	2,448	11,654	14,075	129,538	3,898	19,204	5,349	387,574
At 31.12.2022	519,416	2,448	279,724	62,642	308,263	52,681	96,020	508,580	1,829,774
<u>Net book value</u>									
At 31.12.2022	245,246	1,466,253	28,642	30,121	86,458	11,694	-	5,349	1,873,763

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT

<u>Cost</u>	Leasehold	Furniture	Office	Computer	Air-	Motor	Total
	buildings	& fittings	equipment	& software	conditioners	vehicle	
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1.1.2021	719,319	272,890	137,656	287,206	44,885	96,020	2,234,175
Additions	122,993	33,218	14,808	31,419	19,490	-	237,974
Remeasurement of lease	(52,370)	-	-	-	-	-	(52,370)
Derecognised	(25,280)	-	-	-	-	-	(25,280)
Disposals	-	(6,309)	(61,299)	(37,879)	-	-	(283,803)
At 31.12.2021	764,662	299,799	91,165	280,746	64,375	96,020	2,110,696

Accumulated depreciation

At 1.1.2021	158,205	249,881	95,182	125,057	44,885	57,612	1,407,021
Charge for the year	185,083	24,498	14,684	91,547	3,898	19,204	344,262
Derecognised	(25,280)	-	-	-	-	-	(25,280)
Disposals	-	(6,309)	(61,299)	(37,879)	-	-	(283,803)
At 31.12.2021	318,008	268,070	48,567	178,725	48,783	76,816	1,442,200

Net book value

At 31.12.2021	446,654	31,729	42,598	102,021	15,592	19,204	668,496
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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

3. PROPERTY, PLANT AND EQUIPMENT

- (i) Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 8.
- (ii) Additions in the property, plant and equipment include S\$NIL (2021: S\$122,993) of property, plant and equipment acquired under leasing arrangements (Note 8). The balance amounting to S\$172,841 (2021: S\$114,981) was acquired by cash.

During the financial year, the Charity accepted a donated asset pertaining to a donation-in-kind of a freehold property amounting to S\$1,420,000 from the Abbot and third parties. The value of the donated asset was valued by an independent professional firm based on open market value method where the best price at which the an interest in a property might reasonably be expected to be sold.

In return, the Charity agreed to reimburse the ex-trustees for the upkeep of the said property since 2006 amounted to S\$66,155.

The said freehold property is located at 3F Lorong 12 Geylang, Singapore 398984 and is held by a board of trustee of the Charity.

4 INVENTORIES	<u>2022</u>	<u>2021</u>
	S\$	S\$
Incense, at cost	<u>19,068</u>	<u>-</u>

The cost of inventories recognised as an expense and included in "Expenditure" (Note 12) amounts to S\$5,528 (2020: S\$NIL).

5 TRADE AND OTHER RECEIVABLES	<u>2022</u>	<u>2021</u>
	S\$	S\$
<i>Trade receivables</i>		
Event fees receivables	<u>13,670</u>	<u>3,400</u>
<i>Other receivables</i>		
Deposits	68,677	66,977
Prepayments	<u>153,121</u>	<u>63,742</u>
	<u>221,798</u>	<u>130,719</u>
	<u>235,468</u>	<u>134,119</u>

Trade receivables are non-interest bearing and are generally on cash term.

The carrying amounts of trade and other receivables approximate their fair values.

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

6. CASH AND CASH EQUIVALENTS		<u>2022</u>	<u>2021</u>
		S\$	S\$
Cash and bank balances		427,173	597,799
Fixed deposits		<u>2,025,524</u>	<u>1,923,691</u>
		<u>2,452,697</u>	<u>2,521,490</u>

The fixed deposits with a maturity term 12 months bear interest at rates ranging from 0.35% to 2.90% (2021: 0.10% to 0.35%) per annum.

The carrying amounts of cash and cash equivalents approximate their fair values.

7. OTHER PAYABLES		<u>2022</u>	<u>2021</u>
		S\$	S\$
Members subscription fees received in advance		6,408	1,476
Event fees collected in advance - Bursary fund		-	19,550
Event fees collected in advance - Charity meals and groceries		38,940	27,810
Event fees collected in advance - Festival activities		95,810	29,042
Event fees collected in advance - Gold Ksitigarbha		160,000	127,460
Event fees collected in advance - Medicine Buddha lamp		65,800	72,700
Event fees collected in advance - Pilgrimage tours		27,642	44,430
Accrued operating expenses		<u>9,614</u>	<u>11,381</u>
		<u>404,214</u>	<u>333,849</u>

The carrying amounts of other payables approximate their fair values.

8. LEASES

The Charity has lease contracts for office and accommodation units with lease terms ranging from 36 to 48 months. 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.

The Charity also has leases of office equipment with low value. The Charity applies the lease of low-value recognition exemptions for these leases.

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

	<u>Leasehold</u>
	<u>buildings</u>
	S\$
At 1.1.2021	561,114
Additions	122,993
Remeasurement of lease	(52,370)
Depreciation	<u>(185,083)</u>
At 31.12.2021	446,654
Depreciation	<u>(201,408)</u>
At 31.12.2022	<u>245,246</u>

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

(b) Lease liabilities

The carrying amounts of lease liabilities and the movements during the year:

	<u>2022</u>	<u>2021</u>
	S\$	S\$
At beginning of year	464,764	564,268
Additions	-	122,993
Non-cash flows changes		
- Accretion of interests	19,561	45,973
- Remeasurement of lease	-	(52,370)
Cash flows		
- Payments	<u>(222,600)</u>	<u>(216,100)</u>
At end of year	<u>261,725</u>	<u>464,764</u>
Current liabilities		
Within 1 year	213,959	203,039
Non-current liabilities		
After 1 year but within 5 years	<u>47,766</u>	<u>261,725</u>
	<u>261,725</u>	<u>464,764</u>

The effective interest rate on lease liabilities is 5.25% (2021: 5.25%) per annum.

The carrying amounts of lease liabilities approximate their fair values.

(c) <u>Amounts recognised in profit or loss</u>	<u>2022</u>	<u>2021</u>
	S\$	S\$
Depreciation on right-of-use assets	201,408	185,083
Interest expense on lease liabilities	19,561	45,973
Expenses relating to leases of low-value assets	<u>1,592</u>	<u>1,592</u>
	<u>222,561</u>	<u>232,648</u>

(d) Total cash flows

The Charity had total cash outflows for leases of S\$224,192 (2021: S\$217,692) during the year. The Charity also had non-cash additions of right-of-use assets and lease liabilities of S\$NIL (2021: S\$122,993).

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

9. DEFERRED INCOME		Unrestricted Fund <u>2022</u> S\$	Unrestricted Fund <u>2021</u> S\$
At the beginning		-	-
Donations-in-kind		1,420,000	-
		<u>1,420,000</u>	<u>-</u>
Credited to income and expenditure statement			
Donations-in-kind		(2,367)	-
At the end		<u>1,417,633</u>	<u>-</u>

The deferred income derived from the donated asset pertaining to a donation-in-kind of a freehold property (Note 3) will be credited in the income statement over the period necessary to match the amortisation of assets on a systematic basis.

10. RESTRICTED FUNDS

<u>2022</u>	Building reserve fund	Bursary reserve fund	Charity reserve fund	Dharma propagation reserve fund	Total
	S\$	S\$	S\$	S\$	S\$
At the beginning	1,720,088	85,000	40,000	80,000	1,925,088
Fund received	53,968	-	-	-	53,968
At the end	<u>1,774,056</u>	<u>85,000</u>	<u>40,000</u>	<u>80,000</u>	<u>1,979,056</u>

<u>2021</u>	Building reserve fund	Bursary reserve fund	Charity reserve fund	Dharma propagation reserve fund	Total
	S\$	S\$	S\$	S\$	S\$
At the beginning	1,672,454	85,000	40,000	80,000	1,877,454
Fund received	47,634	-	-	-	47,634
At the end	<u>1,720,088</u>	<u>85,000</u>	<u>40,000</u>	<u>80,000</u>	<u>1,925,088</u>

11. TRADING OF INCENSE

	<u>2022</u>	<u>2021</u>
	S\$	S\$
Sales	11,409	-
Less: Cost of sales		
Opening inventories	-	-
Purchases	24,596	-
	<u>24,596</u>	<u>-</u>
Less: Closing inventories	19,068	-
	<u>5,528</u>	<u>-</u>
Net surplus	<u>5,881</u>	<u>-</u>

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

12. EXPENDITURE	<u>Note</u>	<u>2022</u> S\$	<u>2021</u> S\$
Accountancy fees		1,800	1,500
Audit fees		6,600	6,000
Bank charges		616	285
Cost of sales - incense	11	5,528	-
Depreciation of property, plant and equipment		387,574	344,262
Dharma propagation production		20,485	79,482
Donations		52,717	8,607
Event expenses			
- Bursary		-	14,400
- Bursary (notebook)		-	20,883
- Charity meals and groceries		39,243	40,752
- Dana for Abbot		69,726	28,076
- Festival activities		204,346	126,276
- Scholarship in NUS Buddhist Studies		50,000	-
Expenses relating to leases of low-value assets		1,592	1,592
Freight charges		5,537	2,934
General expenses		6,423	11,979
Honorarium		31,200	31,200
Interest expense on lease liabilities		19,561	45,973
Motor vehicle expenses		5,705	3,884
Postages		2,456	1,069
Prayers offering expenses		40,351	64,921
Printing and stationery		13,942	11,677
Professional fees		6,460	2,033
Property expenses		66,155	-
Purchase of statues		12,312	-
Repair and maintenance		85,026	61,324
Salaries		5,460	19,200
Service charges for collections		17,004	13,233
Skills development levy		255	-
Telephone expenses		7,041	7,846
Transport and travelling		1,186	-
Volunteers welfare		7,578	4,600
Water and electricity		14,310	11,701
		<u>1,188,189</u>	<u>965,689</u>

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

13. INCOME TAX EXPENSES

DI ZANG LIN is registered as a Charity on 30 May 2011. With effect from the Year of Assessment 2008, all registered charities will enjoy automatic income tax exemption and do not need to file income tax returns.

14. STAFF COSTS

	<u>2022</u>	<u>2021</u>
	S\$	S\$
Salaries, bonus and other costs	5,715	19,200
Defined contribution benefits	-	-
	<u>5,715</u>	<u>19,200</u>

There is no staff member earns above S\$100,000 for the year (2021: S\$100,000).

15. SIGNIFICANT RELATED PARTY TRANSACTIONS

An entity or individual is considered a related party of the Charity for the purposes of the financial statements if: (i) it possesses the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the Charity or vice versa; or (ii) it is subject to common control or common significant influence.

In addition to those disclosed elsewhere in the financial statements, the following are the significant related party transactions in the normal course of business on terms agreed between the parties during the year:

	<u>2022</u>	<u>2021</u>
	S\$	S\$
<u>Transactions with Abbot</u>		
Event fees collected - Dana to Abbot	(88,380)	(32,448)
Event expenses - Dana for Abbot	69,726	28,076
Honorarium	31,200	31,200
Lease payment	44,400	25,900

16. TOTAL FUNDS

(a) Unrestricted fund

The income and expenditure relating to the main activities of the Charity will be accounted for in the "Accumulated Fund".

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

(b) Restricted funds

Restricted Funds are set up to account for contribution received and expenditure incurred for specific purposes comprise of the following:

<u>Name of Fund</u>	<u>Purpose</u>
(i) Building reserve fund	Fund is set up mainly towards the purchase of a permanent place when a suitable location is found.
(ii) Bursary reserve fund	Fund is set up to provide support for the bursary events organised by the Charity.
(iii) Charity reserve fund	Fund is set up to contribute towards charitable events where the Charity is invited to participate.
(iv) Dharma propagation reserve fund	Fund is set up mainly towards on defraying the costs of printing Buddhist sutras or other Buddhist publications for free distribution.

17. COMMITMENTS

Scholarship in NUS Buddhist studies commitments

The Charity entered into agreements with National University of Singapore to provide scholarship to the students. Contributions will be made for three consecutive academic years ("AY") commencing from AY 2022 to AY 2024 at S\$50,000, S\$25,000 and S\$25,000 per year respectively. The contribution shall be paid on or before 31 December of each AY to the university.

18. FINANCIAL RISK MANAGEMENT

The main risks arising from the Charity's financial instruments are interest rate risk, credit risk and liquidity risk and they are summarised below:

a. Interest rate risk

The Charity's exposure to interest rate risk relates primarily to fixed deposits. The effective interest rate for fixed deposits at the end of year ranged from 0.35% to 2.90% (2021: 0.10% to 0.35%) per annum.

b. Credit risk

The maximum extent of the Charity's credit exposure is represented by the carrying amounts of fixed deposit and bank balance. Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Cash and fixed deposits are placed with reputable banks.

DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

c. Liquidity risk

The analysis of maturity profile of the Charity's financial liabilities based on contractual undiscounted cash flows is as follows:

	Carrying amount	Contractual undiscounted cash flows			
		Total	Less than 1 year	Between 1 and 5 years	Over 5 years
<u>At 31.12.2022</u>	S\$	S\$	S\$	S\$	S\$
Other payables	404,214	404,214	404,214	-	-
Lease liabilities	261,725	270,800	222,600	48,200	-
	665,939	675,014	626,814	48,200	-
<u>At 31.12.2021</u>					
Other payables	333,849	333,849	333,849	-	-
Lease liabilities	464,764	493,400	222,600	270,800	-
	798,613	827,249	556,449	270,800	-

In the management of liquidity risk, the Charity monitors and maintains a level of cash and bank balances deemed adequate to finance the Charity's operations.

19. CLASSIFICATION OF FINANCIAL INSTRUMENTS

Comparisons by category of carrying amounts of the Charity's financial instruments that are carried in the financial statements are as follows:

<u>At 31.12.2022</u>	Financial assets at amortised cost S\$	Non-financial assets S\$	Total S\$
<u>Assets</u>			
Property, plant and equipment	-	1,873,763	1,873,763
Inventories	-	19,068	19,068
Trade and other receivables	82,347	153,121	235,468
Cash and cash equivalents	2,452,697	-	2,452,697
	2,535,044	2,045,952	4,580,996
<u>Liabilities</u>			
Other payables	404,214	-	404,214
Lease liabilities	261,725	-	261,725
Deferred income	-	1,417,633	1,417,633
	665,939	1,417,633	2,083,572

DI ZANG LIN

(Registered under Charities Act 1994 and Societies Act 1966)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2022

<u>At 31.12.2021</u>	Financial assets at amortised cost S\$	Non- financial assets S\$	Total S\$
<u>Assets</u>			
Property, plant and equipment	-	668,496	668,496
Trade and other receivables	70,377	63,742	134,119
Cash and cash equivalents	2,521,490	-	2,521,490
	<u>2,591,867</u>	<u>732,238</u>	<u>3,324,105</u>
	Financial liabilities at amortised cost S\$	Non- financial liabilities S\$	Total S\$
<u>Liabilities</u>			
Other payables	333,849	-	333,849
Lease liabilities	464,764	-	464,764
	<u>798,613</u>	<u>-</u>	<u>798,613</u>

20. FAIR VALUE OF FINANCIAL INSTRUMENTS

Fair value is defined as the amount of which the instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

21. FAIR VALUE HIERARCHY

Set out below is an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices);

Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at balance sheet date, the Charity has no financial instruments measured using the above techniques.