



地藏林[®]

Di Zang Lin



ANNUAL REPORT

For Year Ended 31 December 2023

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 at 31 December 2023:

Lee Siew Hoong (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 2023 Activities

With the worst of COVID seemingly behind us, 2023 was a busy year for DZL. On top of the regular prayer and charity events, DZL was finally able to bring to fruition some of the projects that has been conceptualised pre-COVID but had to be delayed due to the pandemic.

DZL presented two large scale performances, the Diamond Sutra Liturgy in July of 2023 and Guan Yin the Musical in November of 2023. The Diamond Sutra Liturgy <<銷釋金剛科儀>> focuses on the Diamond Sutra, an important teaching by the Buddha on emptiness, by further expounding on the various doctrines hence making it easier to comprehend. In addition, the liturgy combines Buddhist chanting and singing accompanied by a variety of musical instruments, and, with a unique intonation and rhythm not commonly found in the mainstream Buddhist liturgies, makes it a pleasant listening experience even though the listener may not fully comprehend the message being conveyed. DZL had commissioned the musical script as well as the printing of the Diamond Sutra Liturgy in 2022. Plans were subsequently made to present the Diamond Sutra Liturgy to the Buddhist community in a more artistic format that incorporated dance, lighting and musical instruments uncommonly seen in Buddhist rituals. The Diamond Sutra Liturgy was held at the ballroom of Berjaya Times Square Hotel in Kuala Lumpur and this event attracted participants from both Singapore and Malaysia.

Guan Yin the Musical <<遇见觀音>> was performed by Asia Musical Production and held at Victoria Theatre. It was a sold-out performance and received raving reviews from the audience. Asia Musical Production is a well-known musical troupe specialising in Buddhist musicals and together with Venerable You Wei, the producer for this musical, depicted four stories surrounding Guan Yin, the Bodhisattva of great compassion. To those that have heard these stories, it was a poignant moment when they are visually presented on stage. This is an alternative way to propagate the Buddha Dharma to the public who might not necessarily know the Buddhist Teachings but are familiar with Guan Yin.

2023 marks the 7th year of running the Marine Parade Food Distribution initiative since 2017. To this date, DZL has distributed approximately 20,000 warm meals, 50,000 set of fruit and bread, and 5,000 grocery packs to the less advantaged families in the Marine Parade district. In addition, to support the Marine Parade Gives Back initiative, DZL donated \$30,000 matching dollar for volunteered hours clocked by participating charities for this initiative. This goes towards an initiative to transform Marine Parade into a dementia friendly community. Wayfinder murals were painted around the Marine Terrace Haven precinct to assist residents living with dementia better navigate their surroundings.

DZL refreshed the look of its website and public facing profiles and added more functionality to help with the navigation of its website. The refresh is also in line with DZL's aim to encourage the use of resources that are available on the website, thereby reducing the dependence on human resources which are always in shortage for charities.

The President, Venerable You Wei, was invited to conduct the Monkhood Novitiate retreat held by Pu Ming Buddhist Lodge in July 2023 in the capacity as a "Professor Monk", whose responsibilities include educating the novices about the Buddhist etiquette and Teachings. The retreat allowed laypeople the opportunity to experience life of a monastic and deepen their appreciation and understanding of Buddhism.

Activities

DZL conducted the following non-religious events for calendar year 2023:

ACTIVITY	DURATION	DESCRIPTION
Marine Parade Food Distribution	Weekly	Distribution of dinner in Marine Parade
Guan Yin The Musical	24-26 November	Musical performance at Victoria Theatre

Calendar of Events

DZL held the following prayer sessions for calendar year 2023:

EVENT	DATE
Weekly Congregation	Weekly
Ksitigarbha Repentance Liturgy	Monthly
Thanksgiving offering to Buddha and Devas	1 January
Maitreya Buddha New Year Blessing	22 January
New Year Grand Offering to Buddha and Devas	4 February
Offering to Grand Duke	5 February
New Year Blessing	15 February
Spring Remembrance	19 March
Vesak Puja – Thousand Buddha Repentance Puja	1/21/28 May
Vesak Puja - Bathing of Prince Siddhartha	31 May
Vesak Puja – Refuge Taking and Vesak Puja	2 June
Diamond Sutra Liturgy	22 and 23 July
Ksitigarbha Ullambana Puja - Ksitigarbha repentance	9 August
Ksitigarbha Ullambana Puja - Emperor Liang Repentance Puja	17 to 20 August
Ksitigarbha Ullambana Puja - Ten-Wheels Sutra of Ksitigarbha	5/6/13/27 August
Ksitigarbha Ullambana Puja - Sutra for the Discernment of the Consequences of Wholesome and Unwholesome Karma	3 September
Ksitigarbha Ullambana Puja – Ullambana Sutra	30 August
Ksitigarbha Ullambana Puja – Sutra on Parental Benevolence	23 August
Ksitigarbha Ullambana Puja - Compassionate Samadhi Water Repentance	16 August
Founder's Memorial	8 November
Medicine Buddha Puja	12 November

Review of Financial State and Explanation of Major Financial Transactions

Financially, 2023 was a continuation of 2022 where DZL registered a loss of approximately \$68,000 (compared to a loss of approximately \$82,000 in 2022). Comparing against 2022, revenue increased by approximately 39.8%, mainly due to the income from the Diamond Sutra Liturgy and Guan Yin the Musical. DZL's expenses also increased due to the two events by approximately 35.9%. Excluding the two events, DZL would have reported a net gain of approximately \$56,000; comparing against 2022, revenue would have decreased by approximately 2.0% and expenses would have decreased by approximately 13.5%.

The results are in line with expectations as other Buddhist organisations ramp up their activities post COVID. DZL continues to harness the benefits of internet by posting about the events it conducts to the greater public, at the same time appealing for support towards its charitable works. DZL continue to streamline its operations and find innovative ways to “stretch the dollar” in the face of rising inflation.

DZL continued to receive more than half of its revenue via digital means, approximately 59.8% of all revenue received came through DZL's website in 2023 compared to 60.1% in 2022. To further relieve the burden of keying in donations manually, DZL ceased the acceptance of cheques starting from March 2024, while offering members and devotees the option to pay cash at DZL's premises. It is hoped that such a move will encourage more footfall to DZL and “push” the members and devotees to adopt the digital method of registering for prayers and donations.

As highlighted in the secretarial report, DZL sponsored \$30,000 to paint dementia friendly murals around the Marine Parade estate. DZL drew on the accumulated surplus for charity and did not draw on the Charity Reserve Fund.

DZL expects the pressure on revenues to flow into 2024, especially in the light of the continued inflationary environment as well as the economic uncertainty caused by the various armed conflicts around the world. DZL also expects its expenses to increase starting with the premise leases, whose rent increased by 20% when they were renewed earlier in 2024. Please refer to Appendix A for the analysis of DZL's operations for the year 2023 as well as its financial position as at 31 December 2023.

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 2023, DZL has 4 reserve funds, as follows:

Building reserve fund

The building reserve fund is to be used for the purpose of securing a premise for DZL, including any ancillary expenses incurred in the process.

Bursary reserve fund

The bursary reserve fund is to be used towards educational purposes including awarding bursaries to students from the less well-to-do families who have demonstrated academic excellence as well as furthering Buddhist education and research.

Charity reserve fund

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.

Dharma propagation reserve fund

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 2023 and 2022:

	2023	Ratio ¹	2022	Ratio ¹	% Increase / (Decrease)
Restricted Funds					
Building Reserve Fund	1,796,346	N/A	1,774,056	N/A	1.3%
Bursary Reserve Fund	85,000	1.7:1	85,000	1.7:1	0%
Charity Reserve Fund	40,000	0.65:1 ^[3]	40,000	1.02:1	0%
Dharma Propagation Reserve Fund	80,000	N/A	80,000	3.90:1	0%
Unrestricted Fund					
Accumulated Fund	450,321	0.65:1	518,368	0.66:1	(13.1)%
Total Funds²	2,451,667		2,497,424		

[1] Ratio of Funds to annual expenditure

[2] Total funds include unrestricted and restricted funds

[3] excludes one-off donation of \$30,000

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

Balance Sheet as at 31 December 2023

	S\$	S\$
CURRENT ASSETS		
Expenses prepaid for 2024 activities	259,841	
Deposits	58,977	
Inventory	110,029	
Other receivables	93,002	
Encumbered cash	2,001,346	
Unencumbered cash	<u>263,061</u>	2,786,256
CURRENT LIABILITIES		
Revenue received in advance for 2024 activities	(261,544)	
Deposit received in advance	(128,500)	
Other payables	(36,300)	
Lease liabilities	<u>(47,766)</u>	<u>(474,110)</u>
NET CURRENT ASSETS		<u>2,312,146</u>
NON-CURRENT ASSETS		
Furniture, fittings and equipment	42,842	
Computer equipment and software	46,505	
Temple leases	43,838	
Renovation	15,293	
Property	<u>1,436,880</u>	1,585,358
NON-CURRENT LIABILITIES		
Revenue received in advance for activities beyond 2024	(56,604)	
Deferred income – property	<u>(1,389,233)</u>	<u>(1,445,837)</u>
NET ASSETS		<u>2,451,667</u>
RESERVE FUND		
Beginning of the year		2,497,424
Movement		<u>(45,757)</u>
End of the year		<u>2,451,667</u>
Represented by:		
Building reserve fund (2022: \$1,774,056)		1,796,346
Bursary reserve fund (2022: \$85,000)		85,000
Charity reserve fund (2022: \$40,000)		40,000
Dharma propagation reserve fund (2022: \$80,000)		80,000
Accumulated fund (2022: \$518,368)		450,321

Appendix A (continued)

Income and Expenditure for the year ended 31 December 2023

	2023 S\$	2022 S\$
GENERAL OPERATIONS		
Income	482,937	405,010
Expenditure	<u>(694,066)</u>	<u>(854,071)</u>
DEFICIT FROM GENERAL OPERATIONS	<u>(211,129)</u>	<u>(449,061)</u>
 DZL ACTIVITIES		
Income	1,064,011	701,143
Expenditure	<u>(920,929)</u>	<u>(334,118)</u>
SURPLUS FROM DZL ACTIVITIES	<u>143,082</u>	<u>367,025</u>
DEFICIT FOR THE YEAR	<u>(68,047)</u>	<u>(82,036)</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 2023

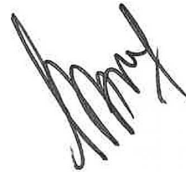
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DI ZANG LIN
(Registered under Charities Act 1994 and Societies Act 1966)

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 2023 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)

12 June 2024
SINGAPORE

SSKM PRACTICE PAC

Company Registration No. 201933747H
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Reliance Building
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Tel: 6291 2282 Fax: 6291 2303
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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 2023, 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 2023 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.

SSKM PRACTICE PAC

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

12 June 2024
SINGAPORE
mn/lc/dh

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

BALANCE SHEET AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
NON-CURRENT ASSET			
Property, plant and equipment	3	1,585,358	1,873,763
CURRENT ASSETS			
Inventories	4	110,029	19,068
Trade and other receivables	5	411,820	235,468
Cash and cash equivalents	6	2,264,407	2,452,697
		2,786,256	2,707,233
LESS: CURRENT LIABILITIES			
Other payables	7	482,948	404,214
Lease liabilities	8	47,766	213,959
		530,714	618,173
NET CURRENT ASSETS		2,255,542	2,089,060
NON-CURRENT LIABILITIES			
Lease liabilities	8	-	47,766
Deferred income	9	1,389,233	1,417,633
		(1,389,233)	(1,465,399)
NET ASSETS		2,451,667	2,497,424
TOTAL FUNDS			
<u>Unrestricted fund</u>			
Accumulated fund		450,321	518,368
<u>Restricted funds</u>			
Building reserve fund		1,796,346	1,774,056
Bursary reserve fund		85,000	85,000
Charity reserve fund		40,000	40,000
Dharma propagation reserve fund		80,000	80,000
	10	2,001,346	1,979,056
		2,451,667	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)

STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL
YEAR ENDED 31 DECEMBER 2023

INCOME	<u>Note</u>	Unrestricted Fund <u>2023</u> S\$	Unrestricted Fund <u>2022</u> S\$
Members entrance fees received		-	30
Members subscription fees received		4,680	4,680
Donation received		64,779	61,628
Donation-in-kind		106,112	2,367
Event fees collected - Bursary fund		19,350	43,840
Event fees collected - Charity meals and groceries		101,822	113,874
Event fees collected - Dana to Abbot		39,080	88,380
Event fees collected - Festival activities		544,699	556,419
Event fees collected - Gold Ksitigarbha		141,750	118,060
Event fees collected - Medicine Buddha lamp		49,500	49,700
Event fees collected - Printing of dharma materials		850	52,250
Event fees collected - Diamond Sutra Liturgy		119,095	-
Event fees collected - Musical Show 'Seeing Guan Yin'		302,365	-
Bank interest received		275	-
Fixed deposit interest received		45,613	3,233
Sales of incense	11	6,466	11,409
Other income		513	283
		<u>1,546,949</u>	<u>1,106,153</u>
LESS : EXPENDITURE	12	1,614,996	1,188,189
DEFICIT BEFORE INCOME TAX		<u>(68,047)</u>	<u>(82,036)</u>
INCOME TAX	13	-	-
DEFICIT AFTER INCOME TAX FOR THE YEAR		<u><u>(68,047)</u></u>	<u><u>(82,036)</u></u>

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

DI ZANG LIN
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STATEMENT OF CHANGES IN ACCUMULATED AND MISCELLANEOUS FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

	Unrestricted fund	Restricted funds					
	Accumulated fund	Building reserve fund	Bursary reserve fund	Charity reserve fund	Dharma propagation reserve fund	Total	Total fund
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
At 1.1.2022	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
Fund received	-	22,290	-	-	-	22,290	22,290
Deficit for the year	(68,047)	-	-	-	-	-	(68,047)
At 31.12.2023	450,321	1,796,346	85,000	40,000	80,000	2,001,346	2,451,667

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 2023

	<u>2023</u> S\$	<u>2022</u> S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Deficit before income tax	(68,047)	(82,036)
Adjustment for:		
Depreciation of property, plant and equipment	324,115	387,574
Interest expense on lease liabilities	8,641	19,561
Bank interest received	(275)	-
Fixed deposit interest received	(45,613)	(3,233)
	218,821	321,866
(Increase)/Decrease in working capital:-		
Inventories	(90,961)	(19,068)
Trade and other receivables	(176,352)	(101,349)
Other payables	78,734	70,365
Deferred income	(28,400)	(2,367)
Cash generated from operations	1,842	269,447
Net cash inflow from operating activities	1,842	269,447
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(35,710)	(172,841)
Payment of principal portion of lease liabilities	(213,959)	(203,039)
Proceeds from building reserve fund	22,290	53,968
Interest expense on lease liabilities paid	(8,641)	(19,561)
Bank interest received	275	-
Fixed deposit interest received	45,613	3,233
Net cash outflow from investing activities	(190,132)	(338,240)
Net decrease in cash and cash equivalents	(188,290)	(68,793)
Cash and cash equivalents at beginning of year	2,452,697	2,521,490
Cash and cash equivalents at end of year (Note 6)	<u>2,264,407</u>	<u>2,452,697</u>

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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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 2023 were authorised for issue by the Executive Committee on 12 June 2024.

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.

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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.

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(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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

(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

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- (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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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.

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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 in 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 in 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

o. Currency translation

Transactions in currencies other than the charity's functional currency are recorded at the rates of exchange prevailing on the date of the transaction. At each balance sheet date, monetary items in foreign currencies are retranslated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in the profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

p. 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.

q. 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.

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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 1.1.2023	764,662	1,468,701	308,366	92,763	394,721	64,375	96,020	513,929	3,703,537
Additions	-	-	-	-	12,770	-	-	22,940	35,710
At 31.12.2023	764,662	1,468,701	308,366	92,763	407,491	64,375	96,020	536,869	3,739,247
Representing:									
Cost	764,662	-	308,366	92,763	407,491	64,375	96,020	536,869	2,270,546
Valuation - 2022	-	1,468,701	-	-	-	-	-	-	1,468,701
	764,662	1,468,701	308,366	92,763	407,491	64,375	96,020	536,869	3,739,247
<u>Accumulated depreciation</u>									
At 1.1.2023	519,416	2,448	279,724	62,642	308,263	52,681	96,020	508,580	1,829,774
Charge for the year	201,408	29,374	9,906	13,810	52,723	3,898	-	12,996	324,115
At 31.12.2023	720,824	31,822	289,630	76,452	360,986	56,579	96,020	521,576	2,153,889
<u>Net book value</u>									
At 31.12.2023	43,838	1,436,879	18,736	16,311	46,505	7,796	-	15,293	1,585,358

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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\$	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

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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) Property, plant and equipment amounting to S\$35,710 (2022: S\$172,841) was acquired by cash during the financial year.

During the financial year ended 31 December 2022, 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>2023</u>	<u>2022</u>
	S\$	S\$
Incense	32,317	19,068
Gold bar	77,712	-
	<u>110,029</u>	<u>19,068</u>

The cost of inventories recognised as an expense and included in "Expenditure" (Note 12) amounts to S\$3,747 (2022: S\$5,528).

Included in the inventories, the charity accepted a donated asset of gold bar from a third party.

5 TRADE AND OTHER RECEIVABLES	<u>2023</u>	<u>2022</u>
	S\$	S\$
<i>Trade receivables</i>		
Event fees receivables	6,202	13,670
<i>Other receivables</i>		
Other receivables	86,800	-
Deposits	58,977	68,677
Prepayments	259,841	153,121
	<u>405,618</u>	<u>221,798</u>
	<u>411,820</u>	<u>235,468</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.

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

6. CASH AND CASH EQUIVALENTS	<u>2023</u>	<u>2022</u>
	S\$	S\$
Cash and bank balances	1,744,407	427,173
Fixed deposits	520,000	2,025,524
	<u>2,264,407</u>	<u>2,452,697</u>

The fixed deposits with a maturity term 12 months bear interest at rates ranging from 2.9% to 3.5% (2022: 0.35% to 2.9%) per annum.

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

7. OTHER PAYABLES	<u>2023</u>	<u>2022</u>
	S\$	S\$
Members subscription fees received in advance	4,284	6,408
Event fees collected in advance - Charity meals and groceries	42,320	38,940
Event fees collected in advance - Festival activities	19,702	95,810
Event fees collected in advance - Gold Ksitigarbha	161,100	160,000
Event fees collected in advance - Medicine Buddha lamp	60,100	65,800
Event fees collected in advance - Pilgrimage tours	27,642	27,642
Event fees collected in advance - Reunion dinner	3,000	-
Deposits received - sales of freehold property	128,500	-
Accrued operating expenses	36,300	9,614
	<u>482,948</u>	<u>404,214</u>

During the financial year, the Charity has committed to sell its freehold property located at 3F Lorong 12 Geylang, Singapore 398984 for a sales consideration of S\$2,170,000. The expiry date of option is extended to 22 November 2025.

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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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

	<u>Leasehold buildings</u> S\$
At 1.1.2022	446,654
Depreciation	<u>(201,408)</u>
At 31.12.2022	245,246
Depreciation	<u>(201,408)</u>
At 31.12.2023	<u><u>43,838</u></u>

(b) Lease liabilities

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

	<u>2023</u> S\$	<u>2022</u> S\$
At beginning of year	261,725	464,764
Non-cash flows changes		
- Accretion of interests	8,641	19,561
Cash flows		
- Payments	<u>(222,600)</u>	<u>(222,600)</u>
At end of year	<u><u>47,766</u></u>	<u><u>261,725</u></u>
Current liabilities		
Within 1 year	47,766	213,959
Non-current liabilities		
After 1 year but within 5 years	<u>-</u>	<u>47,766</u>
	<u><u>47,766</u></u>	<u><u>261,725</u></u>

The effective interest rate on lease liabilities is 5.25% (2022: 5.25%) per annum.

The carrying amounts of lease liabilities approximate their fair values.

(c) <u>Amounts recognised in profit or loss</u>	<u>2023</u> S\$	<u>2022</u> S\$
Depreciation on right-of-use assets	201,408	201,408
Interest expense on lease liabilities	8,641	19,561
Expenses relating to leases of low-value assets	1,607	1,592
Expenses relating to short term leases	<u>3,297</u>	<u>-</u>
	<u><u>214,953</u></u>	<u><u>222,561</u></u>

(d) Total cash flows

The Charity had total cash outflows for leases of S\$227,504 (2022: S\$224,192) during the year.

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9. DEFERRED INCOME	Unrestricted Fund 2023 S\$	Unrestricted Fund 2022 S\$
At the beginning	1,417,633	-
Donations-in-kind	-	1,420,000
	<u>1,417,633</u>	<u>1,420,000</u>
Credited to income and expenditure statement		
Donations-in-kind	(28,400)	(2,367)
At the end	<u>1,389,233</u>	<u>1,417,633</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

2023	Building reserve fund S\$	Bursary reserve fund S\$	Charity reserve fund S\$	Dharma propagation reserve fund S\$	Total S\$
At the beginning	1,774,056	85,000	40,000	80,000	1,979,056
Fund received	22,290	-	-	-	22,290
At the end	<u>1,796,346</u>	<u>85,000</u>	<u>40,000</u>	<u>80,000</u>	<u>2,001,346</u>

2022	Building reserve fund S\$	Bursary reserve fund S\$	Charity reserve fund S\$	Dharma propagation reserve fund S\$	Total 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>

11. TRADING OF INCENSE	2023 S\$	2022 S\$
Sales	6,466	11,409
Less: Cost of sales		
Opening inventories	19,068	-
Purchases	16,996	24,596
	<u>36,064</u>	<u>24,596</u>
Less: Closing inventories	32,317	19,068
	<u>3,747</u>	<u>5,528</u>
Net surplus	<u>2,719</u>	<u>5,881</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

12. EXPENDITURE	<u>Note</u>	<u>2023</u>	<u>2022</u>
		S\$	S\$
Accountancy fees		2,200	1,800
Audit fees		8,000	6,600
Bank charges		1,062	616
Cost of sales - incense	11	3,747	5,528
CPF contributions		1,287	-
Deposits forfeited		12,600	-
Depreciation of property, plant and equipment		324,115	387,574
Dharma propagation production		-	20,485
Donations		7,788	52,717
Event expenses			
- Charity meals and groceries		91,233	39,243
- Dana for Abbot		42,681	69,726
- Festival activities		201,888	204,346
- Scholarship in NUS Buddhist Studies		-	50,000
- Diamond Sutra Liturgy		269,757	-
- Musical show 'Seeing Guan Yin'		325,551	-
Expenses relating to leases of low-value assets		1,607	1,592
Expenses relating to short term leases		3,297	-
Freight charges		12,592	5,537
General expenses		3,896	6,423
Honorarium		51,200	31,200
Interest expense on lease liabilities		8,641	19,561
Loss in exchange - realised		343	-
Motor vehicle expenses		2,477	5,705
Postages		2,535	2,456
Prayers offering expenses		41,592	40,351
Printing and stationery		8,112	13,942
Professional fees		3,314	6,460
Property expenses		-	66,155
Property tax		3,240	-
Purchase of statues		11,063	12,312
Repair and maintenance		95,154	85,026
Salaries		7,568	5,460
Service charges for collections		16,002	17,004
Skills development levy		18	255
Telephone expenses		6,426	7,041
Transport and travelling expenses		7,045	1,186
Volunteers welfare		14,339	7,578
Water and electricity		22,626	14,310
		<u>1,614,996</u>	<u>1,188,189</u>

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NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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>2023</u>	<u>2022</u>
	S\$	S\$
Salaries, bonus and other costs	7,586	5,715
Defined contribution benefits	1,287	-
	<u>8,873</u>	<u>5,715</u>

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

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>2023</u>	<u>2022</u>
	S\$	S\$
<u>Transactions with Abbot</u>		
Event fees collected - Dana to Abbot	(39,080)	(88,380)
Event expenses - Dana for Abbot	42,681	69,726
Honorarium	51,200	31,200
Lease payment	44,400	44,400

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 2023

(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 2.9%% to 3.5% (2022: 0.35% to 2.9%) 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.

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

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 31.12.2023</u>	S\$	S\$	S\$	S\$	S\$
Other payables	482,948	482,948	482,948	-	-
Lease liabilities	47,766	48,200	48,200	-	-
	<u>530,714</u>	<u>531,148</u>	<u>531,148</u>	<u>-</u>	<u>-</u>
<u>At 31.12.2022</u>					
Other payables	404,214	404,214	404,214	-	-
Lease liabilities	261,725	270,800	222,600	48,200	-
	<u>665,939</u>	<u>675,014</u>	<u>626,814</u>	<u>48,200</u>	<u>-</u>

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 31.12.2023</u>	Financial assets at amortised cost S\$	Non-financial assets S\$	Total S\$
<u>Assets</u>			
Property, plant and equipment	-	1,585,358	1,585,358
Inventories	-	110,029	110,029
Trade and other receivables	151,979	259,841	411,820
Cash and cash equivalents	2,264,407	-	2,264,407
	<u>2,416,386</u>	<u>1,955,228</u>	<u>4,371,614</u>
	Financial liabilities at amortised cost S\$	Non-financial liabilities S\$	Total S\$
<u>Liabilities</u>			
Other payables	482,948	-	482,948
Lease liabilities	47,766	-	47,766
Deferred income	-	1,389,233	1,389,233
	<u>530,714</u>	<u>1,389,233</u>	<u>1,919,947</u>

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2023

<u>At 31.12.2022</u>	<u>Financial assets at amortised cost</u> S\$	<u>Non- financial assets</u> S\$	<u>Total</u> 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
	<u>2,535,044</u>	<u>2,045,952</u>	<u>4,580,996</u>
	<u>Financial liabilities at amortised cost</u> S\$	<u>Non- financial liabilities</u> S\$	<u>Total</u> S\$
<u>Liabilities</u>			
Other payables	404,214	-	404,214
Lease liabilities	261,725	-	261,725
Deferred income	-	1,417,633	1,417,633
	<u>665,939</u>	<u>1,417,633</u>	<u>2,083,572</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); and

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.

Governance Evaluation Checklist (Intermediate Tier)

Please note that this checklist is based on the Code of Governance (2017).

Applicable to charities with gross annual receipts or total expenditure **from \$500,000 to less than \$10 million**;

And IPCs with gross annual receipts or total expenditure of **less than \$500,000**.

S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
Board Governance				
1	Induction and orientation are provided to incoming governing board members upon joining the Board.	1.1.2	Complied	
	Are there governing board members holding staff¹ appointments? (skip items 2 and 3 if “No”)		Yes	
2	Staff does not chair the Board and does not comprise more than one third of the Board.	1.1.3	Complied	The President of the Board is a monastic (as stipulated in the Constitution). He is also an unpaid individual involved in the operations. This was disclosed in the AGM and approved by the members. He does not comprise more than 1/3 of the Board.
3	There are written job descriptions for the staff’s executive functions and operational duties, which are distinct from the staff’s Board role.	1.1.5	Complied	
4	The Treasurer of the charity (or any person holding an equivalent position in the charity, e.g. Finance Committee Chairman or a governing board member responsible for overseeing the finances of the charity) can only serve a maximum of 4 consecutive years . If the charity has not appointed any governing board member to oversee its finances, it will be presumed that the Chairman oversees the finances of the charity.	1.1.7	Complied	
5	All governing board members must submit themselves for re-nomination and re-appointment , at least once every 3 years.	1.1.8	Complied	
6	There are documented terms of reference for the Board and each of its committees.	1.2.1	Complied	
Conflict of Interest				
7	There are documented procedures for governing board members and staff to declare actual or potential conflicts of interest to the Board at the earliest opportunity.	2.1	Complied	
8	Governing board members do not vote or participate in decision making on matters where they have a conflict of interest.	2.4	Complied	
Strategic Planning				
9	The Board periodically reviews and approves the strategic plan for the charity to ensure that the charity’s activities are in line with the charity’s objectives.	3.2.2	Complied	
Human Resource and Volunteer² Management				
10	The Board approves documented human resource policies for staff.	5.1	Complied	
11	There is a documented Code of Conduct for governing board members, staff and volunteers (where applicable) which is approved by the Board.	5.3	Complied	
12	There are processes for regular supervision, appraisal and professional development of staff.	5.5	Complied	
Financial Management and Internal Controls				
13	There is a documented policy to seek the Board’s approval for any loans, donations, grants or financial assistance provided by the charity which are not part of the charity’s core charitable programmes.	6.1.1	Complied	
14	The Board ensures that internal controls for financial matters in key areas are in place with documented procedures .	6.1.2	Complied	
15	The Board ensures that reviews on the charity’s internal controls, processes, key programmes and events are regularly conducted.	6.1.3	Complied	
16	The Board ensures that there is a process to identify, and regularly monitor and review the charity’s key risks .	6.1.4	Complied	

S/N	Code guideline	Code ID	Response (select whichever is applicable)	Explanation (if Code guideline is not complied with)
17	The Board approves an annual budget for the charity's plans and regularly monitors the charity's expenditure.	6.2.1	Complied	
	Does the charity invest its reserves (e.g. in fixed deposits)? (skip item 18 if "No")			
18	The charity has a documented investment policy approved by the Board.	6.4.3	Yes	
Fundraising Practices				
	Did the charity receive cash donations (solicited or unsolicited) during the financial year? (skip item 19 if "No")		Yes	
19	All collections received (solicited or unsolicited) are properly accounted for and promptly deposited by the charity.	7.2.2	Complied	
	Did the charity receive donations in kind during the financial year? (skip item 20 if "No")		Yes	
20	All donations in kind received are properly recorded and accounted for by the charity.	7.2.3	Complied	
Disclosure and Transparency				
21	The charity discloses in its annual report — (a) the number of Board meetings in the financial year; and (b) the attendance of every governing board member at those meetings.	8.2	Not Complied	Minutes are taken at each board meeting and an attendance list is maintained.
	Are governing board members remunerated for their services to the Board? (skip items 22 and 23 if "No")		No	
22	No governing board member is involved in setting his own remuneration.	2.2		
23	The charity discloses the exact remuneration and benefits received by each governing board member in its annual report. <u>OR</u> The charity discloses that no governing board member is remunerated.	8.3		
	Does the charity employ paid staff? (skip items 24 and 25 if "No")		Yes	
24	No staff is involved in setting his own remuneration.	2.2	Complied	
25	The charity discloses in its annual report — (a) the total annual remuneration for each of its 3 highest paid staff who each has received remuneration (including remuneration received from the charity's subsidiaries) exceeding \$100,000 during the financial year; and (b) whether any of the 3 highest paid staff also serves as a governing board member of the charity. The information relating to the remuneration of the staff must be presented in bands of \$100,000. <u>OR</u> The charity discloses that none of its paid staff receives more than \$100,000 each in annual remuneration.	8.4	Not Complied	Disclosed in the audited financial statements that no staff received remuneration exceeding S\$100,000

Notes:

¹ Staff: Paid or unpaid individual who is involved in the day to day operations of the charity, e.g. an Executive Director or administrative personnel.

² Volunteer: A person who willingly serves the charity without expectation of any remuneration.