



Annual Report

2024

Year Ended 31 December 2023

President's Message

Dear members and devotees.

In 2023, conducted the Avatamsaka Sutra Recitation Dharma Assembly (held from 1 June 2023 to 18 June 2023) to celebrate 2567th Vesak Day where we saw very strong participation from devotees and donors. We also embarked on a series of cyclical maintenance to upgrade the premises which is over 20 years since the rebuilding. The Level 2 Main Shrine Hall has been refurnished. Basement 1 – Amitabha Hall tile flooring has been replaced. Basement 2 – Ktisgabha Hall has been redecorated and Level 1 has been enclosed and air-conditioned and is in the process of being redecorated into Zhunti Hall.

In May 2023, we present 50 sets of Buddhism Books (totaling over 5000 books) and Sutras to Ministry of Home Affairs – Singapore Prison Service for Religious Books Library located in each of the housing units.

On date 29 October 2023. The Extra-Ordinary General Meeting approved the investment to purchase the company . Chon Hua Pte Ltd which owns a 20- year lease on land at 2 Geylang Lorong 12, Singapore. The land will be developed into a 8 storey Chong Hua Institution to further our religious and charitable works.

While Viriya Community Services continues to professionalise its social services, aimed at enhancing its impact on the community, it also looked into their work processes to ensure its relevancy to their clients. This included efforts to digitalise the work processes under the SMART Viriya initiatives. VCS has pioneered a new digitalisation technology using the IntelliBot System. They have created the Viriya Framework and Viriya Analytics to aid employees in doing clinical assessments as well as to monitor trending outcomes of the interventions. There are other digitalisation projects in near completion such as the Appointment Management System, Interactive Community Mapping App and the Intellect Mental Health App. In 2023, VCS received the following awards:

1. The Charity Transparency Award by Charity Council,
2. The COVID-19 Resilience Certificate Awards by both the Ministry of Social & Family Development (MSF), and the Ministry of Health (MOH), and
3. The Techblazer Award (Best Adoption NGO) by SGTech and the Infocomm Media Development Authority (IMDA)

At LHM, we hope to support all in your spiritual journey, to lead noble lives, to develop our minds, to practice loving kindness and to bring peace and harmony to humanity.

On behalf of the Management Committee, I am grateful to all and look forward to your continued support especially during these unprecedented times. I also thank members of the Management Committee for their invaluable contributions and to the staff and volunteers, your tireless dedication to LHM and VCS.

With Metta,

Mr Chia Ti Yu
President
Leong Hwa Monastery

Our Profile

General information: Leong Hwa Monastery (LHM) has more than a hundred years' of history. This was established from land title records dated on 21 March 1901. These records also contained information on the role of the various venerables towards the development of the Monastery. Some of the prominent past venerables include Venerable Sek Hock Siew, Venerable Sek Sok Wah, Venerable Sek Leong Choon, Venerable Sek Cheng San, Venerable Sek Cheng Kong and Venerable Sek Whay Kuan.

The names of the Monastery were changed a few times and the present name, LEONG HWA MONASTERY was adopted at a recent general meeting held on 20 April 2003. The new name better reflects the kind of activities of this Buddhist monastery following the redevelopment of the building in May 2002.

Legally, LHM was established in 1995 as a religious organisation, registered under the Societies Act.

Our Mission: LHM aims to expound the teachings of Sakyamuni Buddha and to cultivate compassion, loving kindness and wisdom for the benefit of all sentient beings in society.

In 2001, LHM established Viriya Community Services (VCS), as a social service agency.

VCS Vision: Caring for you; enhancing quality of life.

VCS Mission: To promote fulfilling lives by providing social services with the right effort and compassion.

Our Trustees: Venerable Sek Meow Ee and Venerable Sek Meng Kheng

Our Special Advisors: Venerable Tsang Hui

Venerable Sek Meow Ee

Our Abbot: Venerable Gu Ru

Our Core Values: We are guided by the teachings of Lord Buddha, in particular,

Doing the ten good [wholesome] deeds

- Abstention from:
 - (i) killing
 - (ii) stealing
 - (iii) sexual misconduct
 - (iv) divisive speech
 - (v) harsh speech
 - (vi) false speech
 - (vii) idle/frivolous speech
 - (viii) greed
 - (ix) anger
 - (x) wrong views

- Practising of:
 - (i) Generosity (Dana)
 - (ii) Morality (Sila)
 - (iii) Endurance/Patience (Ksanti)
 - (iv) Diligence/Effort (Viriya)
 - (v) Concentration/Meditation (Dhyana/Samadhi)
 - (vi) Wisdom (Prajna)

Our Legal Status:

ROS Registration No: 207/1994/REL

Date of Registration: 22 February 1995

UEN: S95SS0035G

Charity Registration No.: 1659

Date of registration: 24 February 2003

Registered Address: 67 Shrewsbury Road Singapore 307838

Our Bankers: The Society's principal banker is United Overseas Bank Limited and surplus funds are largely placed on fixed placements with Hong Leong Finance Ltd and Maybank Singapore Ltd.

Our Auditors: A+Achieve PAC

Management Committee

LHM is governed by a management committee comprising individuals with varied skills, in particular, individuals who are committed to propagate Buddhism for the benefit of society and helping to make the world a better place for all humanity through development of basic good human qualities — love, kindness, compassion.

The Management Committee oversees and approves the formulation of the Society's strategy and sets directions and standards of the organisation. It also reviews the Society's activities, adequacy of internal controls, financial reporting and compliance and management and operational performance.

Management Committee members:

As at 31 December 2023, the Management Committee comprised the following members.

Title of Office	Full name of Officer	Occupation	Date of First appointment
President	CHIA TI YU	Group Chief Risk Officer, SMRT Corp Ltd	21 May 17
Vice President	YONG HON GUI, FREDDIE	Senior Customer Service Manager, 3M Singapore Pte Ltd	21 May 17
Secretary	CHONG JIAJUN TIMOTHY	Audit Associate KPMG	12 Jul 20
Treasurer	LI LE	Assistant Finance Manager, ISPA Corporate Services Pte Ltd	31 Mar 13
Member	NG LAI HOONG	Managing Director, H & D Construction Engineering Pte Ltd	12 July 20
Member	LEE YIN HAO NICO	Lawyer, Emerald Law LLC	8 May 22
Member	FONG WAI SUN	Retired Banker	30 Jul 23
Member	ANG BOON SHIN	System Engineer, Micron Semiconductor Asia Operation Pte Ltd	30 Jul 23
Member	LEE PING TIAN	Finance Team Lead Bank of Singapore Limited	30 Jul 23

Corporate Governance

It is LHM' policy not to have paid staff on the management committee. The term of office of the Committee is two years with effect from 2022. The Treasurer may be re-elected to the same post for a maximum term of four years. For the other committee members, the maximum term and their re-appointment will be in accordance with the provisions of the Code of Governance for Charities & Institutions of Public Character (IPCs).

The management committee meets three times during the year. The attendance of the management committee members at the meetings is set out below:

Attendance of Management Committee members

CHIA TI YU	3 out of 3
YONG HON GUI, FREDDIE	2 out of 3
CHONG JIAJUN TIMOTHY	2 out of 3
LI LE	3 out of 3
NG LAI HOONG	1 out of 3
LEE YIN HAO NICO	3 out of 3
FONG WAI SUN	2 out of 3
ANG BOON SHIN	3 out of 3
LEE PING TIAN	3 out of 3

The meetings' agenda items include refreshing LHM' strategies and action plan, approval of annual budget (and a review during mid-year), approval of material transactions including capex, donations to other organisations, allocation of funds to designated/restricted funds and investment of its surplus funds.

To execute its responsibilities, committee members are appointed into committees to look at financial policies, internal audit and programmes and services based on terms of reference approved by the management committee.

The management committee and the management staff are committed to maintaining high standards of corporate governance and abiding to the Code of Governance for Charities and IPCs. The management committee endeavours to enhance its governance practices throughout the financial year.

Based on the Code of Governance for Charities and IPCs issued by The Charity Council which took effect from 1 January 2018, the Society is in the 'Intermediate Tier'. As at date of this report, the Society had complied with the various areas required in the governance evaluation. It will file the governance evaluation checklist with the Commissioner of Charities after its annual general meeting as well as uploaded it on LHM' website.

Conflicts of Interest: The Society maintains a Conflict of Interest policy, requiring management committee members and staff to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's suppliers, users of services or beneficiaries. Should there be any potential conflict of interest, the affected members will abstain from discussion and decision-making on the matter. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake. During the year under review, there were no such conflicts that required disclosure and action.

There was no paid staff, being a close member of the family belonging to the Abbot or a governing board member of the Society who had received annual remuneration of S\$50,000 and above in the financial year under review.

Enterprise risk management: Risk management is an integral part of sound governance and has always been considered by the Society although it is not documented as a separate process. It is integrated with the Society's strategy, cut across the different functional areas of its operations and is embedded within the day-to-day management and operational processes of these functional areas. They are identified and controls are in place to mitigate these risks.

Finance and funding: The Society is funded by donations and contributions by the devotees and the public, lease and maintenance of ancestral tablets and niches. The Society also collects annual membership fee of S\$12 (excluding GST).

Reserve policy: It is the Society's desire to build up a reserve to meet three years' operating expenditure. Unrestricted fund that is more than three years' operating expenditure will be transferred to an expendable endowment fund in the following year to strengthen the financial position of the Society.

Expendable Endowment Fund: The fund was established to receive bequests, gifts and donations and transfer from unrestricted fund that is more than three years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to use the return from the investment of the Fund to meet ad hoc needs of the community, approved by the Management Committee.

It is the Society's aim to build an endowment fund of S\$5 million.

While the capital is not available for general use, the investment returns from the Fund and or part of the capital, can be used to fund community projects and initiatives where the Society can make a significant contribution and which are truly meaningful to the Society and in line with the Society's mission.

Society's assets: The Society's properties are located at 57, 67 and 72 Shrewsbury Road. Except for three of the five floors at 72 Shrewsbury which are being used by our community service arm, Viriya Community Services (VCS), the rest of the three premises is for the Society's own use.

The Society also owns a lorry largely for its own use.

Future capital commitments: Based on existing plan, the Society does not have any significant future capital commitments, other than the cyclical maintenance of its three premises, including replacements of air-conditioning system at the main hall.

Activities and events: In the year under review, the activities are as follow:

- Lunar New Year – Homage to Buddhas and for Heavenly Blessings





- Qing Ming Memorial Festival



- 2567th Vesak Day



- 7th lunar month / Ullambana festival



- Medicine Buddha's Birthday (can have another photo, two per page?)



- Amitabha Buddha's Birthday



Community projects: These are included in VCS' annual report, a copy of which is available on <https://viriya.org.sg/wp-content/uploads/2024/06/VCS-annual-report-2024.pdf>

The road ahead: We will continue expound the teachings of Sakyamuni Buddha to enhance spiritual life of individuals and enrich the human spirit of loving kindness and compassion for all.

For VCS, we will continue to do the good well; continue to spark transformation and renewal and continue to face new realities, rising to every challenge in this dynamic environment. VCS will stay true to its vision; Caring for you, enhancing quality of life and the VCS Heartbeat will guide them in their forward journey.

Management: Venerable Gu Ru is the Abbot. The Abbot is given the responsibilities of leading the operations of the Society and is responsible for implementing policies and directions set out by the Management Committee. He is supported by 8 staff and a team of dedicated volunteers.

Summary of Financials

Revenue

Income from generating funds

	S\$
Donations received	173,904
Interest income	24,956
	198,860

Income from charitable activities

Ancestral tablets and niches	125,992
Renovation Fund	67,814
Maintenance fee	65,074
Membership fee	1,170
Special events	973,414
	1,233,464

Other income	14,122
--------------	--------

Total revenue	1,446,446
----------------------	------------------

Expenditure

Cost of charitable activities

Contribution to other organisations	19,556
Direct expenses	325,122
Depreciation	295,112
Others	254,054
Personnel costs and related expenses	312,496
	1,206,340

Governance and other administrative costs	14,460
---	--------

Total expenditure	1,220,800
--------------------------	------------------

Surplus for the year	225,646
-----------------------------	----------------

Unrestricted Reserve as at 1 January 2023	2,774,034
---	-----------

Transfer to Expendable Endowment Fund	-
---------------------------------------	---

Unrestricted Reserve as at 31 December 2023	2,999,680
--	------------------

Unrestricted Reserve / Total Operating Expenditure	2.46
--	------

Based on the above, the Management Committee did not recommend a transfer to the Expendable Endowment Fund in the current financial year.

Further details can be found in our audited financial statements, audited by A+Achieve PAC. The Society has adopted the Charities Accounting Standard since 1 January 2013.

Appreciation

We are grateful to many of you, including our donors, devotees, volunteers and staff for their unwavering support. All Good Things come from GRATITUDE; the Root of our Joy. We wish all an enlightening journey ahead.

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements set out on pages 5 to 17 are drawn up so as to give a true and fair view of the state of affairs of the Society as at 31 December 2023 and of its results of financial activities, the changes in funds and cash flows of the Society for the year then ended.

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

The Management Committee, comprising the following, has on the date of this statement, authorised, these financial statements for issue.

President	Chia Ti Yu
Vice President	Yong Hon Gul, Freddie
Honorary Secretary	Chong JiaJun
Honorary Treasurer	Li Le
Committee Member	Lee Ping Tian
Committee Member	Lee Yin Hao Nico
Committee Member	Ang Boon Shin
Committee Member	Ng Lai Hoong
Committee Member	Long Wai Sun

For and on behalf of the Management Committee,


Chia Ti Yu
President
Li Le
Honorary Treasurer

Singapore,

11 May 2024

Report on the audit of the financial statements

Opinion

We have audited the financial statements of LEONG HWA MONASTERY (the "Society"), which comprise the statement of financial position as at 31 December 2023, the statement of comprehensive income, the statement of changes in funds and the statement of cash flow for the financial year then ended, and notes to the financial statement, including a summary of significant accounting policies.

In our opinion, the financial statements of the Society are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2023, and the results, and the financial performance, changes in fund and cash flows of the Society for the financial year then ended.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Society 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.

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee's Report.

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 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 on the other information that we obtained prior to the date of this auditor's report, 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.

Management is responsible for the preparation of financial statement that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

Responsibilities of Management and Management Committee for the Financial Statements

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

The management committee's responsibilities include overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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:

- a) 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.
- b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

A. ACHIEVE PAC
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS
809 FRENCH ROAD
#05-168 KAPCHENER COMPLEX
SINGAPORE 200809
TEL: 62966260 FAX: 62910732
Chartered accountants, Singapore

Partner-in-charge:
PAB Number:

11 MAY 2024

Dated:

STATEMENT OF FINANCIAL POSITION AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
ASSETS			
Non-current assets			
Fixed assets	4	2,402,871	2,630,673
Library books		5,090	5,090
Current assets			
Deposits, receivables and others	5	620,880	5,210
Cash and cash equivalents	6	4,025,086	4,250,304
		4,645,966	4,255,514
Current liabilities			
Accruals and other payables	7	84,949	70,622
Net Assets		<u>6,968,978</u>	<u>6,820,655</u>
FUNDS			
Designated			
Ancestral tablets/niches fund	8	922,596	1,106,607
Sangha Welfare Fund	9	221,998	213,514
Expendable Endowment Fund	10	2,824,704	2,726,500
		3,969,298	4,046,621
Unrestricted			
Accumulated surplus		2,999,680	2,774,034
		<u>6,968,978</u>	<u>6,820,655</u>

The accompanying notes form an integral part of the financial statements

STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u>	<u>2022</u>
Revenue			
<u>Income from generating funds</u>			
Donations received		173,904	164,871
Interest income		24,956	5,619
		198,860	170,490
<u>Income from charitable activities</u>			
Ancestral tablets and niches		125,992	173,851
Renovation Fund		67,814	0
Maintenance fee		65,074	72,741
Membership fee		1,170	1,365
Special events		973,414	602,082
		1,233,464	850,039
<u>Other income</u>			
Special employment credit/Job support subsidy		7,744	2,796
Miscellaneous		6,378	4,292
		14,122	7,088
Total revenue		1,446,446	1,027,617
Expenditure			
<u>Cost of charitable activities</u>			
Building maintenance		111,314	32,248
Contribution to other organisations		19,556	3,120
Direct expenses		325,122	204,449
Depreciation		295,112	287,141
GST not claimable		21,553	11,323
Insurance		3,023	2,510
Personnel costs and related expenses		312,496	304,348
Property tax		21,174	15,924
Telecommunication		4,404	1,866
Transport & travelling		17,467	24,703
Utilities		75,119	65,528
		1,206,340	953,160
<u>Governance and other administrative costs</u>			
Accounting services		325	3,310
Audit fee		1,800	1,800
Bank charges		1,967	1,208
Miscellaneous		7,551	1,477
Printing & stationery		2,817	7,974
		14,460	15,769
Total expenditure		1,220,800	968,929

Surplus for the year	225,646	58,688
Accumulated surplus at beginning of year	2,774,034	3,229,135
Transfer to Expendable Endowment Fund	0	400,000
Accumulated surplus at end of year	<u>2,999,680</u>	<u>2,774,034</u>

The accompanying notes form an integral part of the financial statements

STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

		<u>2023</u>	<u>2022</u>
	Note		
Cash flows from operating activities			
Net surplus before tax		225,646	58,688
Adjustments for:			
- Depreciation of property & equipment / Renovation	4	295,112	287,141
Operating cash flow before working capital changes		520,758	345,829
Changes in working capital			
- Deposits and receivables		-15,670	0
- Accruals and other payables		14,327	-20,814
Net cash generated from operating activities		<u>519,415</u>	<u>325,015</u>
Cash flows from investing activities			
Purchases of equipment	4	35,010	13,456
Investment in property	5	600,000	0
Renovation	4	32,300	3,900
Net cash provided by / (used in) investing activities		<u>667,310</u>	<u>17,356</u>
Cash flows from financing activities			
Amortisation of ancestral tablets/niches fund		-184,011	-77,398
Sangha Welfare Fund received	9	8,484	12,028
Interest allocated to Expendable Endowment Fund	10	98,204	10,393
Net cash provided by / (used in) financing activities		<u>-77,323</u>	<u>-54,975</u>
Net increase / (decrease) in cash and cash equivalents		-225,218	252,683
Cash and cash equivalents at beginning of financial year		4,250,304	3,997,622
Cash and cash equivalents at end of financial year	6	<u>4,025,086</u>	<u>4,250,304</u>
Cash and cash equivalents comprise:			
Fixed deposits with financial institutions		3,216,964	4,179,929
Cash at bank		792,394	66,375
Cash in hand		15,728	4,000
	6	<u>4,025,086</u>	<u>4,250,304</u>

The accompanying notes form an integral part of the financial statements

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2023

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

1. General Information

Leong Hwa Monastery ("the Society") was registered on 22 February 1995 under the Societies Act [Chapter 311]. The Society is an approved charity under the Charities Act since 24 February 2003. The Society's principal place of operation and registered address is at 67 Shrewsbury Road Singapore 307834.

The principal activities of the Society are aimed at expounding the teachings of Sakyamuni Buddha and to cultivate compassion, loving kindness and wisdom for the benefit of all sentient beings in the community.

2. Summary of Significant Accounting Policies

(a) Basis of preparation

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

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

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

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

(b) Revenue recognition

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

(i) Donations

Donations are recognised in the statement of financial activities upon receipt. Donations subject to donor-imposed conditions that specify the time period in which the expenditure can take place are accounted for as deferred income and recognised as a liability until the financial period in which the Society is allowed by the condition to expend the income.

(ii) Ancestral tablets and niches

Revenue arising from the placement of ancestral tablets and niches is recognised over a 15 – year period, starting from the year of receipt.

(iii) Interest income

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

(iv) Rendering of services

When the outcome of the transaction involving the rendering of services can be estimated reliably, revenue associated with the transaction is recognised by reference to the stage of completion of the transaction at the statement of financial position date.

(c) Expenditure recognition

All expenditure is accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs are not wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

(i) Cost of charitable activities

Cost of charitable activities comprises all directly attributable costs incurred in the pursuit of the charitable objects of the Society and an apportionment of overhead and shared costs.

(ii) Governance and administrative costs

Governance costs include the cost of governance arrangement, which related to the general running of the Society, providing governance infrastructure and ensuring public accountability. These costs include costs related to constitutional and statutory requirements and an apportionment of overhead and shared costs.

(d) Property and equipment

(i) Measurement

All property and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost of an item of property and equipment includes expenditure that is directly attributable to the acquisition of the asset.

Where the cost of an item is \$2,000 and below, it is expensed off in the statement of financial activities in the year of purchase unless these items are purchased for the setting up of a new office, including refurbishment of an existing office.

(ii) Depreciation

Depreciation on property and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

Freehold buildings	10 to 30 years
Internal furnishings	15 years
Equipment	5 years
Furniture and fittings	5 years
Vehicle	5 years
Renovation	5 years

The residual values and useful lives of property and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the statement of financial activities for the financial year in which the changes arise.

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

(iii) Subsequent expenditure

Subsequent expenditure relating to property 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 Society and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expenses in the statement of financial activities during the financial year in which it is incurred.

(iv) Disposal

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

(e) Financial assets

(i) Recognition and measurement

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

Investments in financial assets are investments in debt or equity instruments, which are recognised when it becomes a party to the contractual provisions of the instrument. These are initially measured at the transaction price excluding transaction costs, if any, which will be recognised as expenditure immediately in the statement of financial activities. They are included in non-current assets unless management intends to dispose of the assets within twelve months after the reporting date.

Trade and other receivables and investments in financial assets are subsequently measured at cost less accumulated impairment losses.

(ii) Derecognition

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

(iii) Impairment

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

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

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

(f) Cash and cash equivalents

Cash and cash equivalents include cash on hand, and deposits with financial institutions, which are subject to an insignificant risk of change in value. Cash and cash equivalents are carried at cost.

(g) Financial liabilities

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

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

(h) Other payables

Other payables, excluding accruals, are recognised at their transaction price, excluding transaction costs, if any, both at initial recognition and at subsequent measurement. Transaction costs will be recognised as expenditure in the statement of financial activities as incurred. Accruals are recognised at the best estimate of the amount payable.

(i) Provisions for other liabilities and charges

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

(j) Employee compensation

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into separate entities such as the Central Provident Fund ("CPF"), on a mandatory, contractual or voluntary basis. The Society has no further payment obligations once the contributions have been paid. The Society's contributions to defined contribution plans are recognised as employee compensation expense when they are due. Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the reporting date.

(k) Currency translation

Transactions denominated in a currency other than Singapore Dollar ("foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the reporting date of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of financial activities.

(l) Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the Management Committee. Externally restricted funds may only be utilised in accordance with the purposes for which they are established. The Management Committee retains full control over the use of unrestricted funds for any of the Society's purposes.

(m) Ancestral tablets/niches fund

The fees are paid for the placement of the ancestral tablets and niches at the Monastery premises.

(n) Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Society if that person:
 - (i) Has control or joint control over the Society;
 - (ii) Has significant influence over the Society; or
 - (iii) Is a member of the key management personnel of the Society or of a parent of the Society;
- (b) An entity is related to the Society if any of the following conditions applies:
 - (i) The entity and the Society are members of the same group which means that each parent, subsidiary and fellow subsidiary 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);
 - (ii) 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 Society or an entity related to the Society. If the Society is itself such a plan, the sponsoring employers are also related to the Society;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A 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)
- (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity

3. Critical accounting estimates, assumptions and judgements

The Society makes estimates and assumptions concerning the future. Although these are based on the Society's best knowledge of current events and actions, actual results may ultimately differ from the resulting accounting estimates. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Allowance for impairment of receivables

The Society reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual debtor. If there are indications that the financial position of a debtor has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

Estimated useful lives of property, plant and equipment

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

4. Property and equipment / Renovation

	Balance b/f	Additions	(Disposals)	Balance c/f
	\$	\$	\$	\$
Cost	2023			2023
Freehold buildings	10,231,314	0	0	10,231,314
Internal furnishings	639,699	0	0	639,699
Furniture & fittings	32,286	35,010	0	67,296
Motor vehicle	125,463	0	0	125,463
Renovation	113,900	32,300	0	146,200
	<u>11,142,662</u>	<u>67,310</u>	<u>0</u>	<u>11,209,972</u>
Accumulated depreciation				
Freehold buildings	7,687,104	261,899	0	7,949,003
Internal furnishings	639,699	0	0	639,699
Furniture & fittings	15,267	9,895	0	25,162
Motor vehicle	125,463	0	0	125,463
Renovation	44,455	23,318	0	67,773
	<u>8,511,988</u>	<u>295,112</u>	<u>0</u>	<u>8,807,100</u>

Net book value		
Freehold buildings	2,544,210	2,282,311
Internal furnishings	0	0
Furniture & fittings	17,018	42,133
Motor vehicle	0	0
Renovation	69,445	78,427
	<u>2,630,673</u>	<u>2,402,871</u>

Cost	2022			2022
Freehold buildings	10,231,314	0	0	10,231,314
Internal furnishings	639,699	0	0	639,699
Furniture & fittings	32,286	13,456	0	32,286
Motor vehicle	125,463	0	0	125,463
Renovation	113,900	3,900	0	113,900
	<u>11,125,306</u>	<u>17,356</u>	<u>0</u>	<u>11,142,662</u>

Accumulated depreciation				
Freehold buildings	7,425,205	261,899	0	7,687,104
Internal furnishings	639,699	0	0	639,699
Furniture & fittings	12,481	2,786	0	15,267
Motor vehicle	125,463	0	0	125,463
Renovation	22,000	22,455	0	44,455
	<u>8,224,848</u>	<u>287,140</u>	<u>0</u>	<u>8,511,988</u>

	Balance b/f			Balance c/f
	\$	\$	\$	\$
Net book value	2022			2022
Freehold buildings	2,806,109			2,544,210
Internal furnishings	0			0
Furniture & fittings	6,349			17,018
Motor vehicle	0			0
Renovation	88,000			69,445
	<u>2,900,458</u>			<u>2,630,673</u>

5. Deposits, Receivables and Others

	<u>2023</u>	<u>2022</u>
	\$	\$
Deposits and Prepayment	620,880	5,210
	<u>620,880</u>	<u>5,210</u>

Included in the above is a sum of \$600,000 (2022: Nil) advance for investment in Chon Hua Pte Ltd which transaction was approved by members of the Society in an extraordinary meeting date 29 October 2023. The transaction was completed in February 2024. Chon Hua Pte Ltd owns 20-year lease on land at 2 Geylang Lorong 12, Singapore.

6. Cash and Cash Equivalents

Cash and cash equivalents consist of cash on hand and balance with banks as follows:

	<u>2023</u>	<u>2022</u>
Fixed deposits	1,150,000	1,164,544
Structure Deposit	1,250,000	1,956,720
Fixed deposit	816,964	1,058,665
	<u>3,216,964</u>	<u>4,179,929</u>
Cash in bank	792,394	66,375
Cash on hand	15,729	4,000
	<u>4,025,088</u>	<u>4,250,304</u>

All the fixed deposits mature within 3 to 12 months (2022: 10 to 12 months and bear effective interest rates ranging from 1.9 % to 3.54 % (2022: 0.4 % to 1.3 %) per annum. The cash in included \$200,000 (2022: Nil) under a Deposit Bundle arrangement to receive a higher return and will be released upon maturity of the respect fixed deposits.

At the balance sheet date, the carrying amounts of cash and cash equivalents approximated their fair values.

7. Accruals and Other Payables

	<u>2023</u>	<u>2022</u>
	\$	\$
Accruals	57,376	28,472
Other payables	27,573	42,150
	<u>83,949</u>	<u>70,622</u>

8. Ancestral Tablets/Niches Fund

	<u>2023</u>	<u>2022</u>
	\$	\$
Amount committed	922,596	1,106,607
Less: Amount receivables	0	0
	<u>922,596</u>	<u>1,106,607</u>

9. Sangha Welfare Fund

	<u>2023</u>	<u>2022</u>
	\$	\$
Balance at beginning of year	213,514	201,487
Add: Amount received during the year	8,485	12,028
Less: Payments during the year	0	0
	<u>221,999</u>	<u>201,487</u>

The Sangha Welfare Fund aims to provide support to members of the Sangha community who are in need medical care, especially to those who are suffering from chronic illness and are unable to support themselves financially.

10. Expendable Endowment Fund

	<u>2023</u>	<u>2022</u>
	\$	\$
Balance at beginning of year	2,726,500	2,316,106
Transfer of funds	0	400,000
Net income for the year	98,204	10,394
	<u>2,824,704</u>	<u>2,726,500</u>

The fund was established to receive bequests, gifts and donations and transfer from unrestricted fund that is in excess of three years' operating expenditure, to strengthen the financial position of the Society and to enable the Society to use the return from the investment of the Fund to meet ad hoc needs of the community which are approved by the Management Committee.

While the capital is not available for general use, the investment returns from the fund and or part of the capital, can be used to fund community projects and initiatives where the Society can make a significant contribution and which are truly meaningful to the Society and in line with the Society's mission.

The balance in the fund is represented by cash and cash equivalents shown in Note 6

11. Unrestricted Fund – Accumulated surplus

The ratio of accumulated surplus to annual operating expenditure is 2.46 (2022: 2.86). It is the Society's desire to build up a reserve of unrestricted funds to meet three years' operating expenditure. The excess accumulated surplus will be transferred in the following year.

12. Related Party Transactions

None of the key personnel received any remuneration during the year.

Members of the management committee are volunteers and none received any remuneration or reimbursements during the year.

13. Income Tax Expense

The Society is registered as a charity organisation under Charities Act Chapter 37. As an approved charity, it is exempt from income tax under Section 13(1)(zm) of the Income Tax Act.

14. Management of Conflict of Interest

There is no paid staff in the Society's Management Committee.

Management committee members are required to disclose any interest that they may have, whether directly or indirectly, that the Society may enter into or in any organisations that the Society has dealings with or is considering dealing with; and any personal interest accruing to him as one of the Society's suppliers, users of services or beneficiaries. Should there be any potential conflict of interest, the affected Society management committee members will not vote on the issue that was the subject matter of the disclosure. Detailed minutes will be taken on the disclosure as well as the basis for arriving at the final decision in relation to the issue at stake.

15. Authorisation of Financial Statements

These financial statements were authorised for issue in accordance with a resolution of the Management Committee on 11 May 2024.