

BO TIEN TEMPLE

UNIQUE ENTITY NUMBER : S70SS0033F

**REPORT AND
FINANCIAL STATEMENTS**

FOR THE YEAR ENDED 31 DECEMBER 2019

LO HOCK LING & CO

Chartered Accountants Singapore

盧鶴齡會計公司



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leading **edge** alliance

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BO TIEN TEMPLE

PARTICULARS OF THE TEMPLE - 31 DECEMBER 2019

1. INSTRUMENT SETTING UP THE TEMPLE

Constitution and Rules of Bo Tien Temple

2. CHARITY REGISTRATION NUMBER

00231

3. UNIQUE ENTITY NUMBER OF THE TEMPLE

S70SS0033F

4. REGISTERED ADDRESS

No. 6 Fourth Chin Bee Road, Singapore 619708

5. PATRON

Mr Tharman Shanmugaratnam, Senior Minister, Coordinating Minister for Social Policies

Dr Teo Ho Pin, Mayor for North West Community Development Council

6. MANAGEMENT COMMITTEE

| <u>Name</u> | <u>Designation</u> |
|--------------------|------------------------------|
| Kong Meng Sin | President |
| Chia Lim Hoe | Vice President |
| Chua Teck Beng | Honorary Secretary |
| Chong Kok Keong | Assistant Honorary Secretary |
| Wong Ai Ling Karen | Honorary Treasurer |
| Koh Wei Lun | Assistant Honorary Treasurer |
| Ng Tang Leng | Internal Auditor |
| Ho Ah Mui | Internal Auditor |

7. BANKER

United Overseas Bank Limited

8. INDEPENDENT AUDITORS

Lo Hock Ling & Co.
Chartered Accountants Singapore


BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

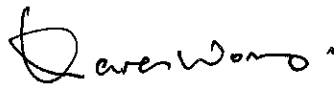
Statement by Management Committee

In the opinion of the Management Committee, the financial statements set out on pages 5 to 17 are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311, the Charities Act, Chapter 37 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the state of affairs of Bo Tien Temple (the "Temple") as at 31 December 2019 and the results, changes in accumulated funds and cash flows of the Temple for the year ended on that date.

On behalf of the Management Committee,



Kong Meng Sin
President



Wong Ai Ling Karen
Honorary Treasurer

Singapore, 29 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Bo Tien Temple (the "Temple") set out on pages 5 to 17, which comprise the statement of financial position (balance sheet) as at 31 December 2019, and the statement of comprehensive income, statement of changes in accumulated 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 provisions of the Societies Act, Cap. 311 (the "Act"), the Charities Act, Cap. 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, and state of affairs of the Temple as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the Temple 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 Temple in accordance with the *Accounting and Corporate Regulatory Authority 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 information included in Particulars of the Temple and the Statement by Management Committee set out on pages 1 to 2 of this report 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 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.

Responsibilities of Management Committee for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Act, the Charities Act and Regulations and FRSs, and for such internal controls as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud and error.

In preparing the financial statements, the Management Committee is responsible for assessing the Temple'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 Temple or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Temple'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:

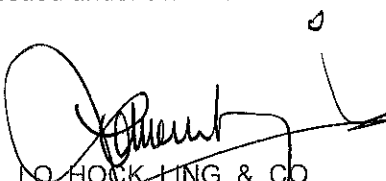
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting 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 Temple'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 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 Temple to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Management Committee 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

- (a) In our opinion, the accounting and other records required to be kept by the Temple have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Act, the Charities Act and Regulations.
- (b) During the financial year ended 31 December 2019, the Temple has not conducted any fund-raising appeal for which proper accounts and other records of fund raising appeal are required to be maintained in accordance with regulation 6 of the Societies Regulations issued under the Act.

Singapore, 29 March 2020


LO HOCK LING & CO.
PUBLIC ACCOUNTANTS AND
CHARTERED ACCOUNTANTS SINGAPORE

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

Statement of Comprehensive Income for the year ended 31 December 2019

| | <u>Notes</u> | <u>2019</u> | <u>2018</u> |
|---|--------------|-------------|-------------|
| | | \$ | \$ |
| <u>INCOME</u> | | | |
| Donations collection | | 98,984 | 82,477 |
| Vesak Day celebration | 6(a) | 22,421 | 23,655 |
| Membership subscriptions | | 504 | 492 |
| Vending machine | | 3,930 | 2,165 |
| Collections from Candle Light Up | | 95,303 | 89,140 |
| Interest income | | 20,406 | 12,378 |
| | | 241,548 | 210,307 |
| <u>LESS EXPENDITURE</u> | | | |
| Audit fee | | 3,300 | 3,300 |
| Bank charges | | 326 | 246 |
| Depreciation on property, plant and equipment | 5 | 1,515 | 1,084 |
| Development and activities | | - | 970 |
| Donations | | 9,071 | 7,250 |
| General expenses | | 11,302 | 10,715 |
| Insurance | | - | 103 |
| Legal and professional fees | | - | 16,742 |
| Lord Bo Tien Anniversary | 6(b) | 20,189 | 39,247 |
| Postages, printing and stationery | | 481 | 304 |
| Purchase of candles | | 34,471 | 26,532 |
| Purchase of gold plates | | - | 6,126 |
| Refreshment and entertainment | | 1,395 | 1,511 |
| Repairs and maintenance | | 42,028 | 12,818 |
| Supplies and material | | 1,782 | 508 |
| Telephone | | 494 | 544 |
| Transportation | | 150 | 150 |
| Water and electricity | | 13,475 | 13,968 |
| | | 139,979 | 142,118 |
| Surplus for the year transferred to General Fund | | 101,569 | 68,189 |
| <u>Other Comprehensive Income</u> | | | |
| Items that will not be reclassified subsequently to General Fund: | | | |
| Net movements in: | | | |
| Endowment fund | 3 | 154 | 204 |
| Building reserve fund | 4 | (55,584) | (23,349) |
| Total comprehensive income for the year | | 46,139 | 45,044 |

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

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

Statement of Financial Position as at 31 December 2019

| | <u>Notes</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|------------------|------------------|
| | | \$ | \$ |
| <u>ASSETS</u> | | | |
| <u>Non-Current Assets</u> | | | |
| Property, plant and equipment | 5 | 588,736 | 657,379 |
| Fixed deposits with financial institution | 8 | 510,770 | 306,600 |
| | | <u>1,099,506</u> | <u>963,979</u> |
| <u>Current Assets</u> | | | |
| Receivables | 7 | 24,078 | 18,372 |
| Fixed deposits with financial institutions | 8 | 854,566 | 797,071 |
| Cash and bank balances | 9 | 378,069 | 528,254 |
| | | <u>1,256,713</u> | <u>1,343,697</u> |
| Total Assets | | <u>2,356,219</u> | <u>2,307,676</u> |
| <u>MEMBERS' FUNDS AND LIABILITIES</u> | | | |
| <u>Members' Funds</u> | | | |
| Unrestricted Fund: | | | |
| General fund | | 1,356,643 | 1,255,074 |
| Restricted Funds: | | | |
| Endowment fund | 3 | 61,488 | 61,334 |
| Building reserve fund | 4 | 932,384 | 987,968 |
| | | <u>993,872</u> | <u>1,049,302</u> |
| Total Members' Funds | | <u>2,350,515</u> | <u>2,304,376</u> |
| <u>Current Liabilities</u> | | | |
| Payables | 10 | 5,704 | 3,300 |
| Total Liabilities | | <u>5,704</u> | <u>3,300</u> |
| Total Members' Funds and Liabilities | | <u>2,356,219</u> | <u>2,307,676</u> |

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

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

Statement of Changes in Accumulated Funds for the year ended 31 December 2019

| | Unrestricted | Restricted Funds | | Total |
|---|------------------|------------------|----------------|------------------|
| | Fund | | | |
| | General | Endowment | Building | |
| | fund | fund | reserve | |
| | \$ | \$ | \$ | \$ |
| As at 1 January 2018 | 1,186,885 | 61,130 | 1,011,317 | 2,259,332 |
| Total comprehensive income for the year | 68,189 | 204 | (23,349) | 45,044 |
| As at 31 December 2018 | 1,255,074 | 61,334 | 987,968 | 2,304,376 |
| Total comprehensive income for the year | 101,569 | 154 | (55,584) | 46,139 |
| As at 31 December 2019 | <u>1,356,643</u> | <u>61,488</u> | <u>932,384</u> | <u>2,350,515</u> |

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

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

Statement of Cash Flows for the year ended 31 December 2019

| | <u>Notes</u> | <u>2019</u> | <u>2018</u> |
|--|--------------|-------------|-------------|
| | | \$ | \$ |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | |
| Surplus for the year | | 101,569 | 68,189 |
| Adjustments for: | | | |
| Depreciation on property, plant and equipment | 5 | 1,515 | 1,084 |
| Interest income | | (20,406) | (12,378) |
| | | (18,891) | (11,294) |
| Operating surplus before working capital changes | | 82,678 | 56,895 |
| | | (5,706) | 537 |
| (Increase)/decrease in receivables | | 2,404 | 200 |
| Increase in payables | | | |
| Changes in working capital | | (3,301) | 737 |
| Net cash from operating activities | | 79,377 | 57,632 |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | |
| Purchase of property, plant and equipment | 5 | - | (4,545) |
| Donations received for Building Reserve Fund | 4 | 11,544 | 43,779 |
| Increase in fixed deposits with financial institutions with tenure exceeding 3 months | | (261,665) | (12,903) |
| Interest received | | 20,560 | 12,582 |
| Net cash (used in)/from investing activities | | (229,562) | 38,913 |
| Net (decrease)/increase in cash and cash equivalents | | (150,185) | 96,545 |
| Cash and cash equivalents at beginning of the year | | 528,254 | 431,709 |
| Cash and cash equivalents at end of the year | 9 | 378,069 | 528,254 |

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

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

NOTES TO THE FINANCIAL STATEMENTS - 31 December 2019

The following notes form an integral part of the financial statements.

1. GENERAL INFORMATION

The Bo Tien Temple (the "Temple") is a non-profit organisation set up in the Republic of Singapore and is registered under the Societies Act Cap. 311 and Charities Act Cap. 37. Its registered office and place of principal operation is located at 6 Fourth Chin Bee Road, Singapore 619708.

The principal activities of the Temple are as follows:

- (i) To promote and impart the teaching and worship of Lord Bo Tien, Buddha and the Temple Saint;
- (ii) To set up Bo Tien Welfare Services Society to provide welfare services and to raise funds for Bo Tien Welfare Services Society;
- (iii) To give material aid and medical services regardless of race, sex, religion and nationality; and
- (iv) In furtherance of the above objects, the Temple may do all things as are incidental or conducive to the attainment of the above or any of them.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Temple presents its financial statements in Singapore dollars, which is also its functional currency.

These financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and comply with Singapore Financial Reporting Standards (FRS), including related Interpretations promulgated by the Accounting Standards Council.

During the financial year, the Temple adopted all applicable new/revised FRSs which are effective on or before 1 January 2019.

2.2 Significant Accounting Estimates and Judgments

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the Temple's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosures made. They are assessed on an ongoing basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

(A) *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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:

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2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.2 Significant Accounting Estimates and Judgments (continued)

(A) *Key sources of estimation uncertainty (continued)*

Depreciation on Property, Plant and Equipment

The costs of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management's estimates of the useful lives of these property, plant and equipment are disclosed in notes 2.4. Changes in the expected usage and land developments could impact the economic useful lives and the residual values of these assets. Therefore, future depreciation charges could be revised. The carrying amount of property, plant and equipment, and the depreciation charge for the year are disclosed in notes 5 to the financial statements.

(B) *Critical judgments made in applying accounting policies*

In the process of applying the Temple's accounting policies, the management has made certain judgments, apart from those involving estimations, which have significant effect on the amounts recognised in the financial statements.

Impairment of Non-Financial Assets

The carrying amounts of the Temple's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated based on the higher of the value in use and the asset's fair value less cost of disposal. Estimating the value in use requires critical judgment on the part of the management to make an estimate of the expected future cash flows from the continuing use of the assets and also to choose a suitable discount rate in order to calculate the present value of those cash flows.

2.3 FRS issued but not yet effective

The Temple has not applied any new FRS that has been issued but is not yet effective. The Temple plans to adopt these FRSs in the first financial year commencing on or after their respective effective dates.

2.4 Property, Plant and Equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset when it is probable that future economic benefits associated with the item will flow to the Temple and the cost of the item can be measured reliably.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment loss, if any.

Any estimated costs of dismantling and removing the property, plant and equipment and reinstating the site to its original condition (reinstatement costs) are capitalised as part of the cost of the property, plant and equipment.

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(Registered under the Societies Act, Chapter 311)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.4 Property, Plant and Equipment (continued)

Depreciation is calculated on the straight line basis so as to write off the cost, less the residual value, of the assets over their estimated useful lives, as follows:

| | |
|-----------------------------------|--------------------------------------|
| Leasehold land and building | 24½ years with effect from June 2005 |
| Furniture, fixtures and equipment | 3 to 5 years |

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

The residual values and useful lives and depreciation methods of property, plant and equipment are reviewed and adjusted as appropriate, at each financial year-end.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and shall be included in profit or loss when the item is derecognised.

2.5 Financial Assets

Financial assets are recognised when the Temple becomes a party to the contractual provisions of the financial instrument. Financial assets are derecognised when the rights to receive cash flows from the assets have ceased or expired.

Financial assets are classified into the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (FVOCI); and
- Fair value through profit or loss (FVPL).

The basis of classification depends on the Temple's business model and the contractual cash flow characteristics of the financial assets.

At initial recognition

At initial recognition, the Temple measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial assets. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Receivables that do not have a significant financing component are measured at their transaction price at initial recognition.

At subsequent measurement

There are three prescribed subsequent measurement categories - at amortised cost, FVOCI and FVPL, depending on the Temple's business model in managing the financial assets and the cash flow characteristics of the assets.

The Temple's financial assets, comprising mainly receivables and cash and cash equivalents, are measured at amortised cost subsequent to initial recognition, as these represent contractual cash flows which represent solely payments of principal and interest. A gain or loss on a financial asset that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets are recognised using the effective interest rate method.

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(Registered under the Societies Act, Chapter 311)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.6 Receivables

Receivables that do not have a significant financing component are measured at their transaction price at initial recognition, and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses, as explained in Note 2.10. Receivables with a short duration are not discounted.

2.7 Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and bank deposits with financial institutions which are subject to insignificant risks of changes in value. Cash equivalents are stated at amounts at which they are convertible into cash.

For the purpose of the statement of cash flows, fixed deposits with original maturities more than 3 months are excluded from cash and cash equivalents.

2.8 Financial Liabilities

Financial liabilities are recognised on the balance sheet when the Temple becomes a party to the contractual provisions of the financial instrument.

Financial liabilities are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method. Payables with a short duration are not discounted.

A financial liability is derecognised when the obligation under the liability is extinguished. For financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2.9 Revenue Recognition

(i) Donations and Collections from Worshippers

Provided there is evidence of entitlement, as expressed in writing, donations and income from other collections are recognised in the statement of comprehensive income in the period of receipt or when they become receivable.

Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

(ii) Membership Subscription

Revenue from members' subscriptions is recognised upon receipt from the members and is taken to the statement of comprehensive income over the membership period.

(iii) Interest Income

Interest income is recognised on a time-proportion basis, using the effective interest method, unless collectability is in doubt.

BO TIEN TEMPLE

(Registered under the Societies Act, Chapter 311)

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

2.10 Impairment of Financial Assets

The Temple assesses on forward looking basis the expected credit losses associated with its debt instruments carried at amortised cost, and recognises a loss allowance accordingly.

At each reporting date, the debt instruments are assessed to determine whether there is significant increase in credit risk on the debt instruments since initial recognition. If there is a significant increase in credit risk since initial recognition, lifetime expected credit losses will be calculated and recognised in the loss allowance. If credit risk on the debt instrument has not increased significantly since initial recognition, the loss allowance is measured based on 12-month expected credit losses. Adjustments to the loss allowance are recognised in profit or loss as an impairment gain or loss.

For receivables, the Temple applies the simplified approach permitted by FRS 109, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

2.11 Impairment of Non-Financial Assets

The carrying amounts of the Temple's non-financial assets subject to impairment are reviewed at each balance sheet date to determine whether there is any indication of impairment. If such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's fair value less cost of disposal and its value in use. The value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life.

An impairment loss on a non-revalued asset is recognised in profit or loss. An impairment loss on a revalued asset is recognised in other comprehensive income to the extent that the impairment loss does not exceed the amount in the revaluation surplus for that same asset. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

2.12 Provisions

Provisions are recognised when the Temple has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

3. ENDOWMENT FUND

| | <u>2019</u> | <u>2018</u> |
|------------------------------|---------------|---------------|
| | \$ | \$ |
| Balance as at 1 January | 61,334 | 61,130 |
| Current year interest income | <u>154</u> | <u>204</u> |
| Balance as at 31 December | <u>61,488</u> | <u>61,334</u> |

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(Registered under the Societies Act, Chapter 311)

3. ENDOWMENT FUND (continued)

The endowment fund is held under a fixed deposit and is managed by the Board of Trustees appointed under rule 9 of the Constitution and governed by the provisions of the Trustees Act, Chapter 40.

This is a restricted fund which is to be utilised to meet and continue the Temple objectives and goals in the event there is a deficit in the accumulated fund.

4. BUILDING RESERVE FUND

| | <u>2019</u> | <u>2018</u> |
|--|-------------|-------------|
| | \$ | \$ |
| Balance as at 1 January | 987,968 | 1,011,317 |
| Donation received | 11,544 | 43,779 |
| Depreciation on leasehold land and building (note 5) | (67,128) | (67,128) |
| | (55,584) | (23,349) |
| Balance as at 31 December | 932,384 | 987,968 |

This represents funds collected from the Fund Raising "888" Project for the purpose of financing the construction cost of the temple building located at 6 Fourth Chin Bee Road, Singapore 619708.

In addition, this building reserve fund will be utilised to meet any substantial outlay on major repairs and improvements of the temple building, as well as for renewal of the lease of the land on which the temple is located, when it expires in year 2030.

5. PROPERTY, PLANT AND EQUIPMENT

| | <u>Leasehold land and building</u> | <u>Renovation</u> | <u>Furniture, fixtures and equipment</u> | <u>Total</u> |
|---|--|-------------------|--|--------------|
| | \$ | \$ | \$ | \$ |
| <u>Cost</u> | | | | |
| At 1 January 2018 | 2,135,312 | 7,353 | 18,571 | 2,161,236 |
| Additions | - | - | 4,545 | 4,545 |
| At 31 December 2018, 1 January 2019 and 31 December 2019 | 2,135,312 | 7,353 | 23,116 | 2,165,781 |
| <u>Accumulated depreciation</u> | | | | |
| At 1 January 2018 | 1,414,266 | 7,353 | 18,571 | 1,440,190 |
| Charge for the year | 67,128 | - | 1,084 | 68,212 |
| At 31 December 2018 and 1 January 2019 | 1,481,394 | 7,353 | 19,655 | 1,508,402 |
| Charge for the year | 67,128 | - | 1,515 | 68,643 |
| At 31 December 2019 | 1,548,522 | 7,353 | 21,170 | 1,577,045 |
| <u>Carrying amount</u> | | | | |
| At 31 December 2019 | 586,790 | - | 1,946 | 588,736 |
| At 31 December 2018 | 653,918 | - | 3,461 | 657,379 |

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(Registered under the Societies Act, Chapter 311)

5. PROPERTY, PLANT AND EQUIPMENT (continued)

Current year's depreciation charge is appropriated as follows:

| | <u>2019</u> | <u>2018</u> |
|--|---------------|---------------|
| | \$ | \$ |
| Amount charged to General Fund | 1,515 | 1,084 |
| Amount charged to Building Reserve Fund (note 4) | <u>67,128</u> | <u>67,128</u> |
| | <u>68,643</u> | <u>68,212</u> |

The Management Committee is of the opinion that as at the balance sheet date, the property owned by the Temple located at No. 6 Fourth Chin Bee Road, is realisable at its carrying amount as shown above and there is no indication of impairment loss on this property.

6. INCOME AND EXPENDITURE FROM TEMPLE EVENTS

| | <u>2019</u> | <u>2018</u> |
|-------------------------------------|-----------------|-----------------|
| | \$ | \$ |
| (a) <u>Vesak Day Celebration</u> | | |
| Collections | 30,091 | 34,483 |
| Expenditure | <u>(7,670)</u> | <u>(10,828)</u> |
| Net surplus | <u>22,421</u> | <u>23,655</u> |
| (b) <u>Lord Bo Tien Anniversary</u> | | |
| Collections | 38,181 | 38,419 |
| Expenditure | <u>(58,370)</u> | <u>(77,666)</u> |
| Net deficit | <u>(20,189)</u> | <u>(39,247)</u> |

7. RECEIVABLES

| | <u>2019</u> | <u>2018</u> |
|---|---------------|---------------|
| | \$ | \$ |
| Other receivables | 4,570 | 3,104 |
| Deposits | 210 | 4,820 |
| Prepayments | 1,085 | 1,128 |
| Interest receivable from fixed deposits | <u>18,213</u> | <u>9,320</u> |
| | <u>24,078</u> | <u>18,372</u> |

8. FIXED DEPOSITS WITH FINANCIAL INSTITUTIONS

| | <u>2019</u> | <u>2018</u> |
|--------------------------------------|------------------|------------------|
| | \$ | \$ |
| Fixed deposits maturing | | |
| - within 1 year | 854,566 | 797,071 |
| - after 1 year but less than 2 years | <u>510,770</u> | <u>306,600</u> |
| | <u>1,365,336</u> | <u>1,103,671</u> |

All the fixed deposits mature within one year to two years and earn interest at rates ranging from 0.25% to 2% (2018: 0.25% to 1.48%) per annum.

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9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of cash flows comprise cash and bank balances as shown in the statement of financial position.

10. PAYABLES

| | <u>2019</u> | <u>2018</u> |
|----------|--------------|--------------|
| | \$ | \$ |
| Accruals | <u>5,704</u> | <u>3,300</u> |

11. TAXATION

The Temple is registered as a charitable institution and by virtue of Section 13 of the Income Tax Act, Chapter 134, is exempted from taxation. Therefore, no provision for taxation has been made in the financial statements for the current financial year.

12. FINANCIAL RISK MANAGEMENT

The Temple is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are credit risk, interest rate risk and liquidity risk. The Management reviews and agrees on policies for managing each of these risks and they are summarised below:

12.1 Credit risk

Risk management

Credit risk is the potential risk of financial loss resulting from the failure of counterparties to settle their financial and contractual obligations to the Temple as and when they fall due.

The Temple's main financial assets consist of cash and cash equivalents. Cash and bank deposits are placed with financial institutions which are regulated.

Management monitors the Temple's exposure to credit risk on an ongoing basis.

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

There are no financial assets that are subject to expected credit loss or impaired as at the balance sheet date.

12.2 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Temple's financial instruments will fluctuate because of changes in market interest rates.

The Temple's exposure to interest rates relates primarily to interest-earning bank deposits. Interest rate risk is managed by the Temple on an ongoing basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The effect of interest rate change on the surplus is not significant as the Temple's financial instruments are either at fixed interest rate or are non-interest bearing as at the balance sheet date. The Temple does not enter into derivatives to hedge its interest rate risk.

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12. FINANCIAL RISK MANAGEMENT (continued)

12.3 Liquidity risk

Liquidity risk is the risk that the Temple will encounter difficulty in meeting financial obligations due to shortage of funds.

The Temple manages its operating cash flows and the availability of funding so as to ensure that a sufficient level of cash and cash equivalents is maintained to meet its working capital requirement.

The Temple's financial liabilities at the balance sheet date are payable on demand or will mature within one year.

13. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

Financial values of Financial Instruments

The carrying amounts of cash and cash equivalents, receivables and payables approximate their fair values due to their short term nature.

14. FINANCIAL INSTRUMENTS BY CATEGORY

The aggregate carrying amounts of financial instruments by category, as specified in FRS 109 are as follows:

| | <u>2019</u> | <u>2018</u> |
|---|-------------|-------------|
| | \$ | \$ |
| Financial assets at amortised cost | 1,766,398 | 1,649,169 |
| Financial liabilities at amortised cost | 5,704 | 3,300 |

15. RESERVE MANAGEMENT

The primary objective in the management of the Temple's reserves is to ensure that it maintains strong and healthy level of reserves and working capital ratio in order to support its operations and future growth.

The Temple targets to maintain an optimum level of accumulated fund which is equivalent to three years of its budgeted expenditures relating to its operations. The Temple regularly reviews and manages its reserve to ensure that it has optimal working capital, taking into consideration the future funding requirements of the Temple, the projected operating cash flows and projected capital expenditures.

The Temple is not subject to externally imposed capital requirements.

There were no changes to the Temple's approach to reserve management since the previous financial year.

16. KEY MANAGEMENT PERSONNEL

The temple has no (2018: nil) employee and no (2018: nil) remuneration was paid to any key management personnel during the year. The members of the Management Committee, or people connected with them, have not received remuneration or other benefits from the Temple or from entities connected with the Temple.

17. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements of the Bo Tien Temple for the year ended 31 December 2019 were authorised for issue by the Management Committee on 29 March 2020.