



*Committee's Statement and
Audited Financial Statements*

BW Monastery
(Unique Entity No. T02SS0119L)

For the year ended 31 December 2022

BW Monastery
(Unique Entity No. T02SS0119L)

General Information

Management Committee

President	:	Boon Chuan Bok
Vice President	:	Lim Jue Meng
Secretary	:	Hsu Chong Tien
Assistant Secretary	:	Jennifer Tay Siew Yee
Treasurer	:	Chia Sze Tong
Assistant Treasurer	:	Ong Woo Teng
General Affair Officer	:	Hoe Swee Long
Assistant General Affair Officer	:	Lim Peng Ching
Board Member	:	Quek Swee Ken
Board Member	:	Chong Kim Chuan
Board Member	:	Wong Jong Siang
Board Member	:	Ho See Kwee
Board Member	:	Gan Jia Hwa
Board Member	:	Oh Kheng Hoe

Independent Auditor

HLB Atrede LLP

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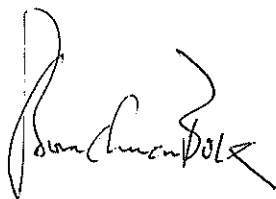
BW Monastery
(Unique Entity No. T02SS0119L)

Statement by the Management Committee

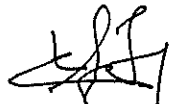
We, Boon Chuan Bok and Chia Sze Tong, being two members of the Board of BW Monastery (the “Society”), do hereby state that, in the opinion of the Management Committee,

- (a) the accompanying financial statements are drawn up in accordance with the provisions of 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 present fairly, in all material respects, the state of affairs of the Society as at 31 December 2022 and of the results, changes in funds and cash flows of the Society for the year ended on that date; and
- (b) 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.

On behalf of the Management Committee



Boon Chuan Bok
President



Chia Sze Tong
Honorary Treasurer

Singapore
29 March 2023

**Independent Auditor's Report
to the members of BW Monastery
(Unique Entity No. T02SS0119L)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of BW Monastery (the "Society"), which comprise the balance sheet as at 31 December 2022, and the statement of comprehensive income, statement of changes in funds and cash flow statement for the year ended on that date, 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 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 present fairly, in all material respects the state of affair of the Society as at 31 December 2022 and the result, changes in funds and cash flows of the Society for the year ended on that date.

Basis for Opinion

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

**Independent Auditor's Report
to the members of BW Monastery – continued
(Unique Entity No. T02SS0119L)**

Other Information (continued)

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 and Management Committee for the Financial Statements

Management is responsible for the preparation of financial statements 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.

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 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.

**Independent Auditor's Report
to the members of BW Monastery – continued**
(Unique Entity No. T02SS0119L)

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

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

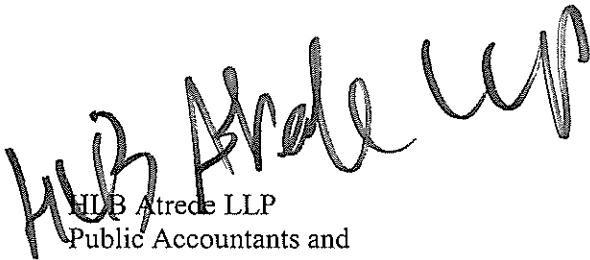
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting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

We communicate with the committees 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.

**Independent Auditor's Report
to the members of BW Monastery – continued
(Unique Entity No. T02SS0119L)**

Report on Other Legal and Regulatory Requirements

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

A large, stylized handwritten signature in black ink, appearing to read 'HLB Atrede LLP'.

HLB Atrede LLP
Public Accountants and
Chartered Accountants

Singapore
29 March 2023

BW Monastery
(Unique Entity No. T02SS0119L)

Balance Sheet as at 31 December 2022

	Note	2022 \$	2021 \$
Non-current assets			
Properties, plant and equipment	4	20,389,557	21,189,517
Right-of-use assets	5	255,051	90,763
		<u>20,644,608</u>	<u>21,280,280</u>
Current assets			
Other receivables	6	156,199	139,828
Cash and cash equivalents	7	10,293,241	8,309,320
		<u>10,449,440</u>	<u>8,449,148</u>
Current liabilities			
Other payables	8	158,538	101,792
Lease liabilities	9	76,237	83,869
		<u>234,775</u>	<u>185,661</u>
Net current assets		<u>10,214,665</u>	<u>8,263,487</u>
Non-current liabilities			
Deferred capital donation	10	18,342,567	19,134,947
Lease liabilities	9	185,439	6,998
		<u>18,528,006</u>	<u>19,141,945</u>
Net assets		<u>12,331,267</u>	<u>10,401,822</u>
Funds			
<u>Restricted fund</u>			
Building fund	11	916,755	949,661
<u>Unrestricted fund</u>			
General funds		11,414,512	9,452,161
		<u>12,331,267</u>	<u>10,401,822</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

BW Monastery
(Unique Entity No. T02SS0119L)

Statement of Comprehensive Income for the financial year ended 31 December 2022

	Note	2022 \$	2021 \$
Income	12	4,639,488	3,894,141
Expenditure	13	(3,809,424)	(3,255,742)
Other operating income	14	327,656	254,445
Amortisation of deferred capital donation		814,213	814,517
Finance cost	15	(9,582)	(346)
Surplus before tax		<u>1,962,351</u>	<u>1,707,015</u>
Income tax expense	16	-	-
Surplus for the year		<u>1,962,351</u>	<u>1,707,015</u>
Other comprehensive income		-	-
Total comprehensive income for the year		<u><u>1,962,351</u></u>	<u><u>1,707,015</u></u>

Statement of Changes in Funds
Year ended 31 December 2022

	Building fund \$	General fund \$	Total \$
Balance as 1 January 2021	1,005,464	7,745,146	8,750,610
Total comprehensive income for the year	-	1,707,015	1,707,015
Transferred to deferred capital donation	(55,803)	-	(55,803)
Balance at 31 December 2021	<u>949,661</u>	<u>9,452,161</u>	<u>10,401,822</u>
Total comprehensive income for the year	-	1,962,351	1,962,351
Transferred to deferred capital donation	(21,833)	-	(21,833)
Utilisation	(11,073)	-	(11,073)
Balance at 31 December 2022	<u><u>916,755</u></u>	<u><u>11,414,512</u></u>	<u><u>12,331,267</u></u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

BW Monastery
(Unique Entity No. T02SS0119L)

Cash Flow Statement for the financial year ended 31 December 2022

	2022 \$	2021 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus before tax	1,962,351	1,707,015
Adjustments for:		
Depreciation – properties, plant and equipment	976,440	983,593
Depreciation – right-of-use assets	110,439	103,528
Amortisation of deferred capital donation	(814,213)	(814,517)
Interest income	(56,241)	(3,819)
Interest expense	9,582	346
Surplus before working capital changes	<u>2,188,358</u>	<u>1,976,146</u>
(Increase)/decrease in other receivables	(16,371)	102,446
Increase in other payables	56,746	5,930
Net expenditure in building funds	(11,073)	–
Cash generated from operation	<u>2,217,660</u>	<u>2,084,522</u>
Interest received	56,241	3,819
Net cash flows from operating activities	<u>2,273,901</u>	<u>2,088,341</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Purchase of properties, plant and equipment	(176,480)	(183,883)
Net cash flows used in investing activity	<u>(176,480)</u>	<u>(183,883)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Principal repayment of lease liabilities	(103,918)	(103,910)
Interest paid on lease liabilities	(9,582)	(346)
Net cash flows used in financing activities	<u>(113,500)</u>	<u>(104,256)</u>
Net increase in cash and cash equivalents	1,983,921	1,800,202
Cash and cash equivalents at beginning of year	8,309,320	6,509,118
Cash and cash equivalents at end of year	<u>10,293,241</u>	<u>8,309,320</u>

The accompanying accounting policies and explanatory notes form an integral part of financial statements.

Note to the Financial Statement – 31 December 2022

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

1. GENERAL

BW Monastery is a society registered under Societies Act 1966. The Society is registered as a charity, registration no. 0203/2002, under the Charities Act 1994 with effect from 1 April 2003.

The registered office and principal place of operation of the Society is located at 1 Woodlands Drive 16 Singapore 737764.

The principal activities of the Society are those relating to promoting, educating and practicing Buddhism for its members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) *Basis of preparation*

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on the historical cost basis except where otherwise described in the accounting policies below.

The financial statements are presented in Singapore Dollar (“SGD” or “\$”) and all values are rounded to the nearest one-dollar unless otherwise stated.

The accounting policies adopted are consistent with those used in the previous financial year except in current financial year, the Society has adopted all applicable new and amended standards that are relevant to its operations and effective for the current financial year. The adoption of these standards did not have any material effect on the financial position or performance of the Society for the current or prior financial years.

Standards issued but not yet effective

The Society has not adopted the following standards and interpretations that are potentially relevant to the Society that has been issued but not yet effective:

	Effective date (Annual periods beginning on or after)
Amendments to FRS 1 and FRS Practice Statement 2: <i>Disclosure of Accounting Policies</i>	1 January 2023
Amendment to FRS 8: <i>Definition of Accounting Estimates</i>	1 January 2023
Amendment to FRS 1: <i>Conceptual classification of Liabilities as Current or Non-current</i>	1 January 2024
Amendment to FRS 1: <i>Non-current Liabilities with covenants</i>	1 January 2024
Amendment to FRS 116: <i>Lease liability in a Sale and Leaseback</i>	1 January 2024

The committee expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Properties, plant and equipment*

All items of properties, plant and equipment are initially recorded at cost. Subsequent to initial recognition, properties, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of an item of properties, plant and equipment is recognised as an asset if, and only if, 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.

Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Freehold properties	–	50 years
Temple building	–	27 years
Leasehold property	–	54 years
Furniture and fitting	–	3 years
Motor vehicle	–	5 years
Office equipment	–	3 years
Renovation	–	3 years
System software	–	3 years

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

For acquisition and disposals of properties, plant and equipment, depreciation is provided in the month of acquisition and no depreciation is provided in the month of disposal.

Assets under construction included in properties, plant and equipment are not depreciated as these assets are not yet available for use.

The carrying values of properties, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of properties, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) *Financial instruments*

(i) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial instruments (continued)*

(i) *Financial assets (continued)*

Initial recognition and measurement (continued)

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (“FVPL”), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Amortised cost

Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Society becomes a party to the contractual provisions of the financial instrument. The Society determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) *Financial instruments (continued)*

(ii) *Financial liabilities (continued)*

Derecognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(d) *Impairment of financial assets*

The Society recognises an allowance for expected credit losses (“ECLs”) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Society expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Society considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(e) *Impairment of non-financial assets*

The Society assesses at each reporting date whether there is an indication that a non-financial asset, may be impaired. If any such an indication exists, or when annual impairment testing for an asset is required, the Society makes an estimate of the asset’s recoverable amount.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash inflows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash generating unit to which the asset belongs.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in profit or loss, unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

Note to the Financial Statement – 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(f) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank and short-term deposits with a maturity within a year or less.

(g) *Other payables*

Other payables are non-interest bearing and have an average term of six months.

(h) *Provisions*

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(i) *Employee benefits*

(i) *Defined contribution plans*

Defined contribution plans are post-employment benefit plans under which the Society pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods.

The Society makes contributions to the Central Provident Fund (“CPF”) scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Lease*

The Society assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys 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.

(i) *As lessee*

The Society applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Society recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

▪ *Right-of-use assets*

The Society recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term. The right-of-use assets are also subject to impairment.

▪ *Lease liabilities*

At the commencement date of the lease, the Society recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Society and payments of penalties for terminating the lease, if the lease term reflects the Society exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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 Society shall use its incremental borrowing rate.

Note to the Financial Statement – 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(j) *Leases (continued)*

(i) *As lessee (continued)*

▪ *Lease liabilities (continued)*

In calculating the present value of lease payments, the Society uses its fixed deposit interest rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

▪ *Short term and low value leases*

The Society applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

(k) *Revenue*

Revenue is measured based on the consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to a public, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Society 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) *Donations and fund raising*

Donations and revenue from fund raising activities that are used for general purposes are recognised in the income and expenditure account in the financial year they are received.

Donations where usage is restricted by the donors are recognised in Reserves and Funds in the financial year they are received.

Revenue and expenditures from fund raising activities that are designated by the management for project funds are recognised in Reserve and Funds in the financial year these activities are held.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(k) *Revenue (continued)*

(ii) *Donations of assets*

Donations of assets received in kind are recorded as donation income and property, plant and equipment at an amount equivalent to the estimated value of the items donated.

(iii) *Interest income*

Interest income is recognised using the effective interest method.

(iv) *Course fee*

Course fee is recognised over the accounting period in which the services are performed.

(v) *Sale of teaching material*

Revenue from sale of teaching material is recognised at the point in time, which is usually when the goods are delivered.

(l) *Grants*

Grants, including government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

Government grant shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as “Other operating income”. Alternatively, they are deducted in reporting the related expenses.

(m) *Taxes*

(i) *Goods and services tax*

Revenue, expenses and assets are recognised net of the amount of goods and services tax (“GST”) except:

- Where the goods and services tax incurred in a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

Note to the Financial Statement – 31 December 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(n) *Funds structure*

In order to ensure observance of limitations and restrictions place on the use of the resources available to the Society, the fund balance in the financial statements are maintained whereby the resources for various purposes are classified for accounting and reporting purposes into specific funds, categories as restricted and non-restricted fund in accordance with activities or objective specified.

For donations received specifically for the purchase or development of property, the cost of property is capitalised and depreciated over their useful lives. Similarly, the specific donations received are amortised to match them with the related depreciation. The cost or expenses incurred to meet the objectives of that funds are written off against the fund.

(o) *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);
 - (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 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).

Note to the Financial Statement – 31 December 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Society's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenue, expenses, assets, liabilities, and disclosure of contingent liabilities at the end of each reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) *Judgement made in applying accounting policies*

There were no material judgements made by management in the process of applying the Society's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(ii) *Estimates and assumptions*

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 described below. The Society based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

▪ *Useful lives of properties, plant and equipment*

The cost of properties, plant and equipment is depreciated on a straight-line basis over the properties, plant and equipment's estimated economic useful lives. Management estimates the useful lives of these properties, plant and equipment to be within 3 to 50 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives of these assets; therefore, future depreciation charges could be revised. The carrying amount of the properties, plant and equipment at the end of each reporting period is disclosed in Note 4 to the financial statements. A 5% difference in the expected useful lives of these assets from management's estimates would result in approximately 2.49% (2021: 2.88%) variance in the surplus before tax.

▪ *Leases - estimating the incremental borrowing rate*

The Society cannot readily determine the interest rate implicit in the lease, therefore, it uses its fixed deposit rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Society would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Society 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Society estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

BW Monastery
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Note to the Financial Statement – 31 December 2022

4. PROPERTY, PLANT AND EQUIPMENT

	Freehold properties	Temple building	Leasehold property	Furniture and fitting	Motor vehicle	Office equipment	Renovation	System software	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$
Cost:									
At 1 January 2021	4,803,038	19,308,643	736,314	386,015	82,545	431,695	207,521	163,603	26,119,374
Additions	–	31,288	–	3,411	–	45,863	94,321	9,000	183,883
Written off	–	–	–	(17,828)	–	(2,873)	(13,756)	–	(34,457)
At 31 December 2021 and 1 January 2022	4,803,038	19,339,931	736,314	371,598	82,545	474,685	288,086	172,603	26,268,800
Additions	–	21,833	–	46,097	–	48,196	60,354	–	176,480
At 31 December 2022	4,803,038	19,361,764	736,314	417,695	82,545	522,881	348,440	172,603	26,445,280
Accumulated depreciation:									
At 1 January 2021	645,721	2,452,722	35,225	380,021	39,756	336,426	135,944	104,332	4,130,147
Charge for the year	96,061	716,197	13,635	4,627	16,509	56,248	44,445	35,871	983,593
Written off	–	–	–	(17,828)	–	(2,873)	(13,756)	–	(34,457)
At 31 December 2021 and 1 January 2022	741,782	3,168,919	48,860	366,820	56,265	389,801	166,633	140,203	5,079,283
Charge for the year	96,061	716,833	13,635	17,594	16,509	50,047	44,413	21,348	976,440
At 31 December 2022	837,843	3,885,752	62,495	384,414	72,774	439,848	211,046	161,551	6,055,723
Net carrying amount:									
At 31 December 2021	4,061,256	16,171,012	687,454	4,778	26,280	84,884	121,453	32,400	21,189,517
At 31 December 2022	3,965,195	15,476,012	673,819	33,281	9,771	83,033	137,394	11,052	20,389,557

Property, plant and equipment with net carrying amount of \$18,342,568 (2021: \$19,134,947) were acquired through donations from the public. The freehold properties, temple building and leasehold property with net carrying values of \$20,115,026 (2021: \$20,919,722) are held in trust by Fung Chew Wah, Pua Yeow Cheong, Tan Gek Lian and Dai Heong (Trustees of the Society appointed on 30 January 2019).

Note to the Financial Statement – 31 December 2022

5. RIGHT-OF-USE ASSETS

Leases (as a lessee)

	Buildings
	\$
Cost:	
At 1 January 2021	661,336
Lease modification	167,563
Written off	<u>(496,497)</u>
At 31 December 2021	332,402
Addition	<u>274,727</u>
At 31 December 2022	<u>607,129</u>
Accumulated depreciation:	
At 1 January 2021	634,608
Charge for the year	103,528
Written off	<u>(496,497)</u>
At 31 December 2021	241,639
Charge for the year	<u>110,439</u>
At 31 December 2022	<u>352,078</u>
Net carrying amount:	
At 31 December 2021	<u>90,763</u>
At 31 December 2022	<u>255,051</u>

The Society leases office space and classroom with lease terms ranging from 2 to 5 years (2021: 2 years). The Society's obligations under these leases are secured by the lessors' title to the leased assets. The Society is restricted from assigning and subleasing the leased assets.

The carrying amounts and maturity analysis of lease liabilities are presented in Note 10.

	2022	2021
	\$	\$
(i) <u>Amounts recognised in profit and loss</u>		
Depreciation expense on right-of-use assets	110,439	103,528
Interest expense on lease liabilities	<u>9,582</u>	<u>346</u>
	<u>120,021</u>	<u>103,874</u>
(ii) <u>Lease expense not capitalised in the lease liabilities</u>		
Expense relating to short-term leases	<u>24,000</u>	<u>36,000</u>
(iii) <u>Total cash outflow</u>		

The Society had total cash outflow of \$137,500 (2021: \$140,256) for all the leases.

Note to the Financial Statement – 31 December 2022

6. OTHER RECEIVABLES

	2022	2021
	\$	\$
Deposit	48,040	25,090
Sundry receivable	2,803	4,051
Financial assets	<u>50,843</u>	<u>29,141</u>
Downpayment for purchase of property, plant and equipment	69,346	86,069
Prepayment	<u>36,010</u>	<u>24,618</u>
	<u><u>156,199</u></u>	<u><u>139,828</u></u>

7. CASH AND CASH EQUIVALENTS

Cash at banks	3,208,189	5,478,051
Fixed deposits	<u>7,085,052</u>	<u>2,831,269</u>
	<u><u>10,293,241</u></u>	<u><u>8,309,320</u></u>

Fixed deposits are placed for periods ranging from 3 to 12 months (2021: 9 to 12 months) and earn interest at the respective short-term deposit rates. The effective interest rates of fixed deposits range from 2.4% to 3.9% (2021: 0.15% to 0.25%) per annum.

Included in cash and cash equivalents are amounts of \$821,553 (2021: \$838,512) which is earmarked for the building fund.

8. OTHER PAYABLES

Accrued liabilities	108,755	51,061
GST payable	5,713	7,090
Provision of unutilised leave	<u>44,070</u>	<u>43,641</u>
	<u><u>158,538</u></u>	<u><u>101,792</u></u>

9. LEASE LIABILITIES

Analysed as:		
Current	76,237	83,869
Non-current	<u>185,439</u>	<u>6,998</u>
	<u><u>261,676</u></u>	<u><u>90,867</u></u>
Maturity analysis:		
Year 1	85,000	84,000
Year 2	78,000	7,000
Year 3	60,500	-
Year 4	36,000	-
Year 5	<u>24,000</u>	<u>-</u>
	<u>283,500</u>	<u>91,000</u>
Less: Unearned interest	<u>(21,824)</u>	<u>(133)</u>
	<u><u>261,676</u></u>	<u><u>90,867</u></u>

The Society does not face significant liquidity risk with regards to its lease liabilities

Note to the Financial Statement – 31 December 2022

9. LEASE LIABILITIES (continued)

A reconciliation of liabilities arising from financing activities is as follows:

	1.1.2022	Cash flows		Non-cash changes		31.12.2022
		Interest paid	Principal repayment	Accretion of interest	Addition	
	\$	\$	\$	\$	\$	\$
Lease liabilities	90,867	(9,582)	(103,918)	9,582	274,727	261,676

	1.1.2021	Cash flows		Non-cash changes		31.12.2021
		Interest paid	Principal repayment	Accretion of interest	Lease modification	
	\$	\$	\$	\$	\$	\$
Lease liabilities	27,214	(346)	(103,910)	346	167,563	90,867

10. DEFERRED CAPITAL DONATION

	2022	2021
	\$	\$
Cost:		
At beginning of year	23,213,076	23,157,273
Addition – transfer from building funds	21,833	55,803
At end of year	23,234,909	23,213,076
Accumulated amortisation:		
At beginning of year	4,078,129	3,263,612
Charge for the year	814,213	814,517
At end of year	4,892,342	4,078,129
Net carrying amount	18,342,567	19,134,947

These amounts represent capital donation received from the public for the purchase of property, plant and equipment which are amortised over the property, plant and equipment's useful lives.

11. BUILDING FUND

Balance at beginning of year	949,661	1,005,464
Repair and maintenance of buildings	(11,073)	-
Transferred to deferred capital donation	(21,833)	(55,803)
Balance at end of year	916,755	949,661

The fund was established for the purpose of maintenance, upgrading, redevelopment of building and for the construction of "BW Monastery – Woodlands Monastery" Project for Dharma Propagation.

BW Monastery
(Unique Entity No. T02SS0119L)

Note to the Financial Statement – 31 December 2022

12. INCOME

	2022	2021
	\$	\$
Donations	4,530,564	3,871,009
Donations of assets	44,341	–
Course fee collected	9,617	10,565
Sales of teaching material	54,966	12,567
	<u>4,639,488</u>	<u>3,894,141</u>

13. EXPENDITURE

Auditor's remuneration	7,600	7,000
Bank charges	47,381	48,481
Depreciation – properties, plant and equipment	976,440	983,593
Depreciation – right-of-use assets	110,439	103,528
Floral and fruits	29,003	30,686
Food expenses	83,724	42,483
Foreign workers levy	2,130	3,402
Goodwill gifts	40,369	17,628
Handling and freight charges	182	–
Instructor fee	8,341	7,124
Insurance	18,265	19,460
Liberation expenses	4,156	600
Maintenance and repair	167,365	133,211
Medical fee	31,220	(3,280)
Miscellaneous	66,507	42,844
Offering and Dharma event expenses	194,198	108,169
Postage and stationery	15,791	12,849
Property tax	2,350	2,313
Rental (short-term)	24,000	36,000
Salaries and other staff related costs	1,688,936	1,467,569
Sangha expenses	45,855	624
Tailoring, design and support	610	–
Teaching materials	64,677	25,225
Telecommunication	82,375	95,947
Transportation	4,719	3,583
Travelling	2,242	–
Utilities	90,549	66,703
	<u>3,809,424</u>	<u>3,255,742</u>

Note to the Financial Statement – 31 December 2022

14. OTHER OPERATING INCOME

	2022	2021
	\$	\$
Government grants – Senior employment credit	12,735	6,851
– Senior Worker Early Adopter Grant	85,000	–
– Special employment credit	–	8,829
– Wage credit scheme	26,282	42,243
– Job growth incentive	12,984	–
– Job support scheme	–	70,985
– CPF Transition Offset grant	1,346	–
– Part Time Re-employment Grant	42,500	–
– VCF Info-Communications Technology (ICT) Grant	–	2,582
– WorkPro Grant	–	30,000
GST adjustment	86,911	82,636
Interest income	56,241	3,819
Rental waiver and property tax rebate	3,500	6,500
Sundry income	157	–
	<u>327,656</u>	<u>254,445</u>

15. FINANCE COST

Interest expense on lease liabilities	<u>9,582</u>	<u>346</u>
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16. INCOME TAX EXPENSE

The Society, which is registered under the Charities Act, qualifies for an automatic income tax exemption without having to meet 80% spending rules and therefore do not need to file income tax returns with effect from the year of assessment 2008.

17. EMPLOYEE BENEFITS

Salaries and bonuses	1,475,009	1,291,070
Central provident fund contributions	<u>210,250</u>	<u>173,220</u>
	<u>1,685,259</u>	<u>1,464,290</u>

18. RELATED PARTY DISCLOSURES

In addition to those related party information disclosed elsewhere in the financial statements, the following significant transactions between the Society and related parties that took place at terms agreed between the parties during the financial year:

(i) *Compensation of key management personnel*

Key management personnel of the Society are those persons having the authority and responsibility for planning, directing and controlling the activities, directly or indirectly, of the Society. The chief operating officer of Society is considered as key management personnel of the Society.

Note to the Financial Statement – 31 December 2022

18. RELATED PARTY DISCLOSURES (continued)

(i) *Compensation of key management personnel (continued)*

	2022	2021
	\$	\$
Salaries and bonuses	<u>38,450</u>	<u>26,400</u>

The Board of Governors, or people connected with them, has not received remuneration, or other benefits, from Society for which they are responsible, or from institutions connected with Society.

19. CAPITAL COMMITMENTS

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements is as follows:

Renovation	<u>16,348</u>	<u>93,731</u>
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20. FUND MANAGEMENT

The Society relies primarily on donations to fund its operations and principal activities.

The Management Committee manages the accumulated funds prudently and places funds that are currently in excess of the Society's needs in low risk assets such as fixed deposits. No changes were made to the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Society is not subject to any externally imposed funding requirements.

21. CLASSIFICATION OF FINANCIAL ASSETS AND LIABILITIES

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting period:

Financial assets at amortised cost

Other receivables	50,843	29,141
Cash and cash equivalents	<u>10,293,241</u>	<u>8,309,320</u>
	<u>10,344,084</u>	<u>8,338,461</u>

Financial liabilities at amortised cost

Other payables	108,755	51,061
Lease liabilities	<u>261,676</u>	<u>90,867</u>
	<u>370,431</u>	<u>141,928</u>

Note to the Financial Statement – 31 December 2022

22. FAIR VALUE OF ASSETS AND LIABILITIES

The fair value of an asset or a liability is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The carrying amount of financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of reporting date.

However, the Society does not anticipate that the carrying amounts recorded at end of reporting date would be significantly different from the values that would eventually be received or settled.

At the end of the reporting period, the Society does not have any other asset or liability carried at fair value.

23. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2022 were authorised for issue by the management committee on 29 March 2023.