

DHARMA DRUM (SINGAPORE)
(Unique Entity Number: T04SS0012C)
(Registered under the Societies Act, Cap.311)

(Incorporated in the Republic of Singapore)

ANNUAL REPORT FOR THE YEAR ENDED
31 MAY 2019

LOUISE NEO & COMPANY
Public Accountants and
Chartered Accountants of Singapore
Registration no.: T05PF0864K
1 Fifth Avenue #03-08 Guthrie House Singapore 268802
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DHARMA DRUM (SINGAPORE)

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STATEMENT BY MANAGEMENT COMMITTEE MEMBERS

We, the undersigned Management Committee Members, submit this annual report to the members together with the audited financial statements of **Dharma Drum (Singapore)** (the Society) for the financial year ended 31 May 2019.

Management Committee Members

Gan Swee Hwa	- President
Gao Dehui	- Vice President
Victor Leow Khian Ngien	- Secretary
Wong Chin Loon	- Treasurer
Chu Siew Yuen	- Vice Treasurer
Shih Ming Te	- Member
Siow Kong Soon	- Member
Chou Wen Chin	- Member
Yu Hung Jen	- Member
Lin Chang Yuan	- Member

Auditors

The auditors, Louise Neo & Company, have expressed willingness to accept the re-appointment.

Statement by Management Committee Members

The Management Committee Members of **Dharma Drum (Singapore)**, do hereby state that in our opinion, the accompanying financial statements set out on pages 5 to 29 are drawn up so as to give a true and fair view of the financial position of the Society as at 31 May 2019 and of the financial activities, statement of changes in funds and cash flows of the Society for the year ended on that date.

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 Committee Members have, on the date of this statement, authorised these financial statements for issue.

On behalf of Management Committee



Gan Swee Hwa
President



Wong Chin Loon
Treasurer



Victor Leow Khian Ngien
Secretary

Singapore,



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DHARMA DRUM (SINGAPORE)

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of **Dharma Drum (Singapore)** (the "Society"), which comprise the statement of financial position as at 31 May 2019, and the statement of financial activities, statement of changes in 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, except for the effects of the matter described in the Basis for Qualified Opinion section of our report the accompanying financial statements are properly drawn up in accordance with the provisions of the constitution of the Society, the Charities Act, Cap 37, the Societies Act, Cap 311 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 May 2019 and of the statement of financial activities, changes in funds and cash flows of the Society for the year ended on that date

Basis of Qualified Opinion

Prior year financial statement

We were unable to verify whether the unit costs of the inventories were based on historical purchase costs and unable to compare unit costs to supplier invoices to ascertain whether the costing method was according with the accounting policy. Owing to the nature of the Society's records, we were unable to satisfy ourselves as to the valuation of the inventories amounting \$19,275 by other audit procedures.

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 Congregation 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 committee is responsible for the other information. The other information comprises the Statement by Management Committee Members set out on page 1.

Our opinion on the financial statements does not cover the other information and we do 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, 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.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DHARMA DRUM (SINGAPORE)

Responsibility of 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 Constitution of the Society, the Charity Act, Cap 37, the Societies Act, Cap 311, Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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 Responsibility 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 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF DHARMA DRUM (SINGAPORE)

Auditor's Responsibility for the Audit of the Financial Statements (Continued)

- 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 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

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

LOUISE NEO & COMPANY
Public Accountants and
Chartered Accountants

Singapore, 30 AUG 2019

DHARMA DRUM (SINGAPORE)

**STATEMENT OF FINANCIAL ACTIVITIES
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

	2019	2018
	\$	\$
Income		
Income from generated funds		
Voluntary Income - Unrestricted	208,171	43,356
Voluntary Income - Restricted	208,450	30,650
Other Income	12,955	5,343
	429,576	79,349
Income from charitable activities	333,173	125,751
Total Income	762,749	205,100
Expenditures		
Costs of generating funds		
Opening inventories	19,275	12,067
Purchases	7,376	-
Inventory written off	(15,389)	(1,927)
Closing inventories	(5,812)	(19,275)
Costs of goods sold	5,450	(9,135)
Charitable expenses (Page 6)	80,454	9,396
Governance costs (Page 6)	370,972	125,027
Other expenditures (Page 6)	937	4,099
	457,813	129,387
Total expenditure	(457,813)	(129,387)
Net Income	304,936	75,713
Gross transfer from accumulated funds to building funds	(208,450)	(30,650)
Net movement in accumulated funds	96,486	45,063

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

DHARMA DRUM (SINGAPORE)

**STATEMENT OF FINANCIAL ACTIVITIES (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

<u>Expenditure</u>	2019	2018
	\$	\$
Charitable expenses		
Chinese New Year blessing expenses	2,358	74
Donation and gift	400	700
Expenses - Da Bei Chan	875	-
Expenses - Di Zhang Fa Hui	143	-
Expenses - Chao Jing	412	-
Expenses - Chan Shan	-	8,537
Expenses - Fang Zhang's (Abbott) visit	16,024	70
Expenses - Shuilu Fahui	149	15
Expenses - FO 2	5,581	-
Expenses - FO 3	2,508	-
Expenses - Chan 3	1,938	-
Expenses - Workshop/ Seminar	3,390	-
Expenses - Fu Tian Class	7,852	-
Expenses - Shui Chan	11,873	-
Expenses - Cooking	14,207	-
Expenses - Rong Dong	10,277	-
Expenses - YuFo	1,210	-
Expenses - Nianfo Chan 3	1,257	-
	80,454	9,396
Governance costs		
Accounting fee	-	1,282
Audit fee	3,600	3,050
Offering to Buddha	861	-
CPF contribution	5,716	7,129
Depreciation of plant and equipment	47,528	469
Electricity and water	16,237	72
Insurance	348	392
Medical expenses	50	66
Postage	-	198
Printing and stationery	4,645	1,084
Refreshment	3,074	360
Rental	150,050	30,157
Maintenance	21,517	-
Condolence and Wreath	200	-
Salary and bonus	83,332	64,719
Staff amenities	1,917	790
Subscription fee	-	55
Telephone	5,717	682
Travelling	10,528	625
Warehouse and relocation	263	13,897
Inventory Write-off	15,389	-
	370,972	125,027
Other expenditures		
Bank charges	529	356
NETS charges	309	101
General expenses	99	3,642
	937	4,099

The accompanying notes form an integral part of these financial statements

DHARMA DRUM (SINGAPORE)**STATEMENT OF FINANCIAL POSITION
AS AT 31 MAY 2019**

	Note	2019 \$	2018 \$
ASSETS			
Non-current assets			
Plant and equipment	4	<u>94,303</u>	<u>376</u>
Current assets			
Inventories	5	5,812	19,275
Other receivables	6	21,950	36,641
Cash at hand and bank balances	7	<u>2,810,848</u>	<u>2,579,015</u>
		<u>2,838,610</u>	<u>2,634,931</u>
TOTAL ASSETS		<u><u>2,932,913</u></u>	<u><u>2,635,307</u></u>
RESERVES AND LIABILITIES			
Reserves			
Accumulated funds		1,089,203	992,717
Building funds	8	<u>1,835,666</u>	<u>1,627,216</u>
		<u>2,924,869</u>	<u>2,619,933</u>
Current liabilities			
Other payables	9	8,044	15,374
TOTAL RESERVES AND LIABILITIES		<u><u>2,932,913</u></u>	<u><u>2,635,307</u></u>

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

DHARMA DRUM (SINGAPORE)

**STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

	Unrestricted Accumulated Funds	Restricted Building Funds	Total
	\$	\$	\$
At 1 June 2017	947,654	1,596,566	2,544,220
Surplus for the year	45,063	30,650	75,713
At 31 May 2018	<u>992,717</u>	<u>1,627,216</u>	<u>2,619,933</u>
At 1 June 2018	992,717	1,627,216	2,619,933
Surplus for the year	96,486	208,450	304,936
At 31 May 2019	<u>1,089,203</u>	<u>1,835,666</u>	<u>2,924,869</u>

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

DHARMA DRUM (SINGAPORE)**STATEMENT OF CASH FLOW
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

	Note	2019	2018
		\$	\$
Cash Flows from Operating Activities:			
Net surplus for the financial year		304,936	75,713
<u>Adjustments for:</u>			
Depreciation of plant and equipment	4	47,528	469
Operating surplus before working capital changes		352,464	76,182
<u>Changes in working capital:</u>			
(Increase)/ decrease in inventories		13,463	(7,208)
(Increase)/ decrease in other receivables		14,691	(35,991)
Increase in trade and other payables		(7,330)	8,022
Cash flows generated from operating activities		<u>373,288</u>	<u>41,005</u>
Cash flows from investing activity			
Purchase of plant and equipment	4	(141,455)	-
Net cash flows used in investing activity		<u>(141,455)</u>	<u>-</u>
Net increase in cash and cash equivalents		231,833	41,005
Cash and cash equivalents at beginning of year		2,579,015	2,538,010
Cash and cash equivalents at end of year	7	<u>2,810,848</u>	<u>2,579,015</u>

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

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

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

1. GENERAL

Dharma Drum (Singapore) ('the Society') is registered under the Societies Act and domiciled in Singapore.

The registered address is located at 146B Paya Lebar Road #06-01 Ace Building Singapore 409017.

The principal activities of the Society are to promote the practice of Zen meditation and promote cultural, ethical and education activities. There have been no significant changes in the nature of these activities during the financial year.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Society have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

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

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for annual financial periods beginning on or after 1 June 2018. Except for the adoption of FRS 109 *Financial Instruments* described below, the adoption of these standards did not have any material effect on the financial activities or position of the Society.

FRS 109 *Financial Instruments*

FRS 109 replaces FRS 39 *Financial Instruments: Recognition and Measurement* for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Society applied FRS 109 retrospectively, with an initial application date of 1 January 2018. The Society has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 *Financial Instruments: Disclosures* relating to items within the scope of FRS 39. There is no impact arising from FRS 109 adoption in the opening retained earnings and other components of equity at the date of initial application.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 supersedes FRS 18 *Revenue* and related interpretations and it applies, with limited exceptions, to all revenue arising from contract with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

2. Summary of significant accounting policies (Continued)

2.2 Adoption of new and revised standards (Continued)

FRS 115 Revenue from Contracts with Customers (Continued)

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Society adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 June 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed on this date. The Society elected to apply the standard to all contracts at 1 June 2018.

The adoption of these standards did not have any material effect on the financial performance or position of the Society.

2.3 Standard issues but not yet effective

The Society has not adopted the following standards that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Annual Improvements to FRSs (March 2018)	1 January 2019
FRS 116 Leases	1 January 2019

Except for FRS 116, the management expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policies on adoption of FRS 116 are described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 June 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Society plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 June 2019.

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

2. Summary of significant accounting policies (Continued)

2.3 Standard issued but not yet effective (Continued)

On the adoption of FRS 116, the Society expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either;

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 June 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 June 2019.

In addition, the Society plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 June 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Plant and equipment

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

2. Summary of significant accounting policies (Continued)

2.5 Property, Plant and equipment (Continued)

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

	<u>Useful lives</u>
Renovation	3 years
Furniture and Fixture	3 years
Computer and office equipment	3 years
Dharma equipment	3 years

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

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

2.6 Impairment of non-financial assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in that estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.7 Financial instruments

These accounting policies are applied on and after the initial application date of FRS 109, 1 June 2018:

(a) 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.

At initial recognition, the Society measures a financial asset at its fair value plus, in the case of a financial asset not at 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.

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

(a) Financial assets (Continued)

Initial recognition and measurement (Continued)

Trade receivables are measured at the amount of consideration to which the Society expects to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instruments

Subsequent measurement of debt instruments depends on the Society business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Society only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at 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 the amortisation process.

Investment in equity instruments

On initial recognition of an investment in equity investment that is not held for trading, the Society may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Society's right to receive payments is established. For investments in equity instruments which the Society has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss

Derecognition

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

(b) 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.

2.7 Financial instruments (Continued)

(b) Financial liabilities (Continued)

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.

Derecognition

A financial liability is derecognised 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 and loss.

These accounting policies are applied before initial application date of FRS 109, 1 June 2018:

(a) Financial assets

Initial recognition and measurement

Financial assets 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 assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised costs using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise other receivables and cash and cash equivalents.

(b) 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.

2. Summary of significant accounting policies (Continued)

2.7 Financial instruments (Continued)

(b) Financial liabilities (Continued)

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.

Such financial liabilities comprises other payables and amount due to related parties.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is present in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle liabilities simultaneously.

2.8 Impairment of financial assets

These accounting policies are applied on and after the initial application of FRS 109, 1 June 2018.

The Society recognises an allowance for expected credit losses (ECL) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flow due to 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 recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of financial assets (Continued)

The Society considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Society may also consider a financial asset to be in default when internal and 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.

These accounting policies are applied before the initial application date for FRS 109, 1 June 2018:

The Society assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

(i) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Society first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Society determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.

Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Society considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2. Summary of significant accounting policies (Continued)

2.8 Impairment of financial assets (Continued)

(ii) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

2.9 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and fixed deposits and are subject to an insignificant risk of changes in value.

2.10 Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is calculated using first-in, first-out. Cost comprises of cost of purchase, cost of conversion and other costs incurred in bringing the inventories to present location and condition. Net realizable value is the estimated selling price in the ordinary course of the business less necessary costs to make the sale.

2.11 Provisions

General

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, 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.

2.12 Employee benefits

a) Defined contribution plans

The Society makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expenses as the related service is provided. A liability is recognised for the amount expected to be paid if the Society has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2. Summary of significant accounting policies (Continued)

2.13 Income recognition

These accounting policies are applied on and after the initial application date of FRS 115, 1 June 2018;

Revenue is measured based on the fair value of the consideration to which the Society receives from the general public. These donations can be categorized as either building fund donations which are restricted in nature or general fund donations which is unrestricted in nature.

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.

(a) Donations from the public

The Society receives donations from their followers.

Revenue is recognised when donations are collected from the general public. Activities that the Society hosts also contributes revenue by donations, and taken into account on a cash basis.

(b) Membership subscription

Revenue is recognised when subscriptions are due and payable.

(c) Sale of books

Revenue from sale of books is recognised when the Society has delivered the books to the customer and the customer has accepted the books.

These accounting policies are applied before initial application date of FRS 115, 1 June 2018:

(i) Donations

Donations are recognized as revenue as and when upon received of money.

(ii) Members' subscription

Members' subscriptions are recognised as revenue as and when subscriptions become due and payable.

(iii) Sale of books

Revenue from sale of books is recognised when the Society has delivered the books to the customer and the customer has accepted the books.

2.14 Income tax

As a Society, it is exempt from tax on income and gains falling within section 11(1) of the Income Tax Act to the extent that more than half of its gross income is received from voting members. No tax charges have arisen in the Society.

2. Summary of significant accounting policies (Continued)

2.15 Funds

Accumulated fund (Unrestricted Fund)

Income and expenditure relating to the main activities of the Society are accounted for through the accumulated fund in the statement of comprehensive income.

Building fund (Restricted Fund)

Income and expenditure relating to funds set up for contributions received and expenditures incurred for specific purpose such as building fund, are accounted for through the restricted funds in the statement of comprehensive income.

2.16 Leases as lessee

Finance leases which transfer to the Society substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments. Any initial direct costs are also added to the amount capitalised. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged to profit or loss. Contingent rents, if any, are charged as expenses in the periods in which they are incurred.

Capitalised leased assets are depreciated over the shorter of the estimated useful life of the asset and the lease term, if there is no reasonable certainty that the Society will obtain ownership by the end of the lease term.

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

3. Significant accounting judgements and estimates

The preparation of the Society's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. 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.

3.1 Judgements made in applying accounting policies

(a) Determination of functional currency

In determining the functional currency of the Society, judgment is used by the Society to determine the currency of the primary economic environment in which the Society operates. Consideration factors include the currency that mainly influences sales prices of goods and services and the currency of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services.

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

3. Significant accounting judgements and estimates (Continued)

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Society based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Society. Such changes are reflected in the assumptions when they occur.

(a) Inventory valuation method

Inventory write-down is made based on the current market conditions, historical experience and selling goods of similar nature. It could change significantly as a result of changes in market conditions. A review is made periodically on inventories for excess inventories, obsolescence and declines in net realisable value an allowance is recorded against the inventory balances for any such declines. The realisable value represents the best estimate of the recoverable amount and is based on the most reliable evidence available and inherently involves estimates regarding the future expected realisable value. The carrying amount of the Society's inventories as at 31 May 2019 was \$5,812 (2018: \$19,275). If the future expected realisable value lower by 10% of its carrying amount, the carrying amount of the Society's inventory would have been \$581 lower.

4. Plant and equipment

2019	Computer and office equipment	Renovation	Furniture and Fittings	Dharma Equipment	Total
	\$	\$	\$	\$	\$
<u>At cost:</u>					
At 01.06.2018	10,265	-	-	-	10,265
Additions	4,711	101,867	19,005	15,872	141,455
At 31.05.2019	14,976	101,867	19,005	15,872	151,720
<u>Accumulated depreciation:</u>					
At 01.06.2018	9,889	-	-	-	9,889
Depreciation for the year	1,946	33,956	6,335	5,291	47,528
At 31.05.2019	11,835	33,956	6,335	5,291	57,417
<u>Net book value:</u>					
At 31.05.2019	3,141	67,911	12,670	10,581	94,303

DHARMA DRUM (SINGAPORE)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

4. Plant and equipment (continued)

	Computer and office equipment	Total
	\$	\$
2018		
<u>At cost:</u>		
At 01.06.2017	10,265	10,265
At 31.05.2018	<u>10,265</u>	<u>10,265</u>
<u>Accumulated depreciation:</u>		
At 01.06.2017	9,420	9,420
Depreciation for the year	469	469
At 31.05.2018	<u>9,889</u>	<u>9,889</u>
<u>Net book value:</u>		
At 31.05.2018	<u><u>376</u></u>	<u><u>376</u></u>

5. Inventories

	2019	2018
	\$	\$
Statement of financial position		
Inventories	<u>5,812</u>	<u>19,275</u>
Statement of financial activities		
Inventories recognised as an expense in cost of sales	<u>5,450</u>	<u>(9,135)</u>

6. Other receivables

	2019	2018
	\$	\$
- Deposit	21,950	21,850
- Advance payment to supplier	-	14,791
	<u>21,950</u>	<u>36,641</u>

7. Cash and cash equivalents

	2019	2018
	\$	\$
Cash at bank balances	2,809,634	2,578,522
Cash at hand	1,214	493
	<u>2,810,848</u>	<u>2,579,015</u>

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

8. Building fund

The building fund is set up to collect donations to facilitate the acquisition of a premise for the various activities run by the Society.

9. Other payables

	2019	2018
	\$	\$
Other payables:		
- Accrued operating expenses	<u>8,044</u>	<u>15,374</u>

Other payables relate to non-trade payables to third parties. They are non-interest bearing and have an average term of 3 months.

10. Operating lease commitments

The Society leases office premises under non-cancellable operating lease agreements from non-related party. The leases have varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2019	2018
	\$	\$
Not later than one year	93,000	140,750
Two to five years	<u>-</u>	<u>93,000</u>
	<u>93,000</u>	<u>233,750</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended 31 May 2019 amounted to \$150,050 (2018: \$30,157).

11. Financial risk management

The Society's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk and foreign currency risk).

The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the society's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Society's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

11. Financial risk management (continued)

There has been no change to the Society's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society's exposure to credit risk arises primarily from other receivables. For other financial assets (including investment securities and cash), the Society minimizes credit risk by dealing exclusively with high credit rating counterparties.

The Society has adopted a policy of only dealing with creditworthy counterparties. The Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Society considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Society determined the default event on a financial asset to be when interval and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimize credit risk, the Society has developed and maintained the Society's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available information and the Society's own trading records to rate its major customers and other debtors. The Society considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause significant change to debtor's ability to meet obligations.
- Actual or expected significant changes in the operating results of the debtor
- Significant increase in credit risk on other financial instruments of the same debtor
- Significant changes in expected performance and behavior of debtor, including changes in payment status of debtors and changes in operating results of debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Society has determined that its financial assets are credit-impaired when:

- There is a significant difficulty of the debtor
- A breach in contract, such as a default or past due event
- It is probable that the debtor will enter bankruptcy or other financial reorganization
- There is a disappearance of an active market for financial asset because of financial difficulty

DHARMA DRUM (SINGAPORE)

**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

11. Financial risk management (Continued)

(a) Credit risk (Continued)

The Society categorises receivables for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Society's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit – impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The table below details the credit quality of the Society's financial assets, as well maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount \$	Loss allowance \$	Net carrying amount \$
31 May 2019						
Other receivables	4	I	12 - month ECL	21,950	-	21,950
					-	
1 June 2018						
Other receivables	4	I	12 - month ECL	21,850	-	21,850
					-	

DHARMA DRUM (SINGAPORE)**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019****11. Financial risk management (Continued)****(a) Credit risk (Continued)****Other receivables**

The Society assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Society measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

(b) Liquidity risk

Liquidity risk refers to the risk that the Society will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Society's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Society's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities, if any. The Society's operations are financed mainly through funds generated from operations. The management committee is satisfied that funds are available to finance the operations of the Society.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Society's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount	2019 Contractual cash flows	One year or less
	\$	\$	\$
<u>Financial assets</u>			
Other receivables	21,950	21,950	21,950
Cash and cash equivalents	<u>2,810,848</u>	<u>2,810,848</u>	<u>2,810,848</u>
Total undiscounted financial assets	<u>2,832,798</u>	<u>2,832,798</u>	<u>2,832,798</u>
<u>Financial liability</u>			
Other payables	<u>8,044</u>	<u>8,044</u>	<u>8,044</u>
Total undiscounted financial liability	<u>8,044</u>	<u>8,044</u>	<u>8,044</u>
Total net undiscounted financial assets	<u>2,824,754</u>	<u>2,824,754</u>	<u>2,824,754</u>

DHARMA DRUM (SINGAPORE)**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019****11. Financial risk management (Continued)****(b) Liquidity risk (Continued)**

	Carrying amount S\$	2018 Contractual cash flows S\$	One year or less S\$
<u>Financial assets</u>			
Other receivables	21,850	21,850	21,850
Cash and cash equivalents	<u>2,579,015</u>	<u>2,579,015</u>	<u>2,579,015</u>
Total undiscounted financial assets	<u>2,600,865</u>	<u>2,600,865</u>	<u>2,600,865</u>
<u>Financial liability</u>			
Other payables	<u>15,374</u>	<u>15,374</u>	<u>15,374</u>
Total undiscounted financial liability	<u>15,374</u>	<u>15,374</u>	<u>15,374</u>
Total net undiscounted financial assets	<u>2,585,491</u>	<u>2,585,491</u>	<u>2,585,491</u>

(c) Market risk

Market risk is the risk that changes in market prices, such as interest rates and foreign exchange rates will affect the Society's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

(i) Interest rate risk

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

The Society does not expect any significant effect on the Society's profit and or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

(ii) Foreign currency risk

The Society's operational activities are carried out in Singapore dollars, which is the functional currency. All transactions are paid mainly in local currency. Exposure to any risk arising from movements in foreign currencies exchange rates is minimal.

DHARMA DRUM (SINGAPORE)

NOTES TO THE FINANCIAL STATEMENTS (Continued) FOR THE FINANCIAL YEAR ENDED 31 MAY 2019

12. Fair value of assets and liabilities

(a) Fair value hierarchy

The Society categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted price (unadjusted) in active market for identical assets or liabilities that the Society can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the assets or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents

The carrying amount of these balances approximate their fair values due to the short-term nature of these balances.

Other receivables and payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal credit terms.

13. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets and financial liabilities at amortised cost were as follows:

	2019	2018
	\$	\$
Financial assets measured at amortised cost		
Other receivables	21,950	21,850
Cash and cash equivalents	2,810,848	2,579,015
Total financial assets measured at amortised cost	<u>2,832,798</u>	<u>2,600,865</u>
Financial liabilities measured at amortised cost		
Other payables	8,044	15,374
Total financial liabilities measured at amortised cost	<u>8,044</u>	<u>15,374</u>

DHARMA DRUM (SINGAPORE)**NOTES TO THE FINANCIAL STATEMENTS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 MAY 2019**

14. Significant related party transactions

Compensation of key management personnel

	2019	2018
	\$	\$
Salaries and bonuses	<u>41,350</u>	<u>30,1000</u>

15. Capital management

The Society's objective when managing its accumulated fund is to safeguard the Society's ability to continue as a going concern, so that it can continue to provide services for the benefit of its members and other stakeholders.

The Society monitors its accumulated fund on a prudent basis and it does not utilise any external debt from financial institutions. The capital structure of the Society consists of cash at hand and bank balances and accumulated fund.

There was no change in the Society's approach to capital management during the financial year.

	2019	2018
	\$	\$
Cash at hand and bank balances	<u>2,810,848</u>	<u>2,579,015</u>
Accumulated funds	<u>1,089,203</u>	<u>992,717</u>

16. Authorisation of financial statements for issue

The financial statements of the Society for the financial year ended 31 May 2019 were authorised for issue in accordance with a resolution of the members by the Management Committee on the date stated on Statement by Management Committee Members.