

TZU CHI | 慈濟 |  
SINGAPORE



Paving the Path with Love 用爱铺路 以诚相伴  
Caring from the Heart

ANNUAL REPORT  
2019

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## Our Founder



**Dharma Master Cheng Yen**  
Founder of Tzu Chi

人心淨化  
社會祥和  
天下無災無難

Dharma Master Cheng Yen was born in 1937, in a small town in Central Taiwan, and she was adopted by her uncle and aunt when she was still a toddler. When she was around seven years old, she experienced the air raids that the Second World War brought upon the then Japanese-occupied Taiwan, and the cruelties of war deeply imprinted on her young mind. Throughout her growing years, she had many questions about life and its meaning.

When Master Cheng Yen was 21 years old, an event happened that changed the course of her life forever. One day, her father suddenly took ill, and he passed away the very next day. The shock and trauma of her beloved father's death marked a turning point in her life. She began to search for the truths behind life and death, and often visited a Buddhist temple in her hometown to study the Buddhist sutras and to seek the answers to her questions.

Inspired and moved by the insights of Buddhism, Master Cheng Yen came to the realisation that she could only find true happiness in life when she expanded the love she had for her family to all of humanity. She felt strongly that instead of merely taking care of her one small family, she should work for the good of all people.

At the age of 24, she left her relatively comfortable home to begin a journey of greater purpose - to pursue a monastic life. In 1962, she arrived in Hualien, an impoverished town in the east coast of Taiwan, and took residence in Pu Ming Temple, living a spartan life as she devoted herself to the study of Buddhism. In autumn that year, she shaved her own head, determined to become a Buddhist monastic.

In February 1963, Master Cheng Yen travelled to a temple in Taipei to attend an initiation ceremony for those entering Buddhist monastic life, only to be told that she could not be ordained as she did not have a refuge master. Then, by chance, she met Venerable Master Yin Shun, an acclaimed scholar of Buddhism, and took refuge under him. The Venerable gave her the Dharma name, Cheng Yen, and said to her: ***"Now that you have become a monastic, you must always remember to work for the good of Buddhism and all living beings."***

## The Founding of Tzu Chi

In 1966, Dharma Master Cheng Yen saw the possibility to carry out her calling when she decided to set up a charity (which later became the Buddhist Tzu Chi Foundation) in Hualien, to help the poor and suffering around her. At the time, the east coast of Taiwan, where Hualien was located, was rather underdeveloped and impoverished.

Master Cheng Yen personally established the rules for daily living in her monastic community at the Jing Si Abode, and one of them was to be self-reliant and self-sufficient. Instead of accepting offerings from laity, the nuns earned a meagre living from doing farm work, knitting sweaters, making baby shoes, bags and other handicraft items for sale. Even till this day, this rule is strictly adhered to at the Abode.

Though living a simple and austere lifestyle themselves, Master Cheng Yen and her disciples were determined to help the impoverished and destitute. To raise funds for the charity mission, she asked her 30 lay followers (mostly housewives) to set aside 50 NT cents from their grocery allowance each day and saved it in a bamboo coin bank. One follower thought that it would be easier to just donate NT\$15 every month. But the Master said that although the amount was the same, the meaning behind it was very different. She hoped that everyone could give rise to a kind thought of helping others every day, and not just one day a month. Word of the campaign soon spread from the market to other parts of Hualien, and more and more people contributed to the cause.

Gradually, committed volunteers joined the ranks of Tzu Chi commissioners, who would travel to villages to personally collect the savings in every bamboo coin bank. On one occasion, a commissioner complained that a particular donor lived so far away that the cost of the trip was more than the amount donated. Master Cheng Yen, however, replied that giving people an opportunity to participate in a good cause was just as important as the donation itself. By personally collecting donations from people, the commissioners were in fact nurturing the seed of love in each donor. Inspiring love in people's hearts is, in fact, Master Cheng Yen's true goal.

The Master firmly believes that everyone is capable of living our lives with the same great compassion as the Buddha. True compassion, however, is not just about having sympathy for the suffering of others; it is to reach out to relieve that suffering through action. In founding Tzu Chi, the Master wishes to give everyone the chance to live out this compassion, which will bring inner peace and happiness to our lives, and help pave the way for world peace and harmony.

慈悲喜舍  
誠正信實

### Vision

Purify the hearts and minds of people, and bring about harmony in society and a world free of disasters.

### Mission

Relieve the suffering of those in need, and create a better world for humanity through our Four Missions of Charity, Medicine, Education, and Humanistic Culture.

### Values

Cultivate sincerity, integrity, faith, and honesty within, while living out kindness, compassion, joy, and selflessness.



## Chairman's Message



**Venerable Shih De Ge**  
(Toh Kim Kiat)  
*Chairman,*  
*Tzu Chi Foundation (Singapore)*  
慈济基金会（新加坡）  
主席 释德格

We are grateful that Singapore has sailed through the year 2019 safe and sound. However, this same year has been a devastating one for many countries with natural disasters such as the flooding in Africa and the unprecedented bushfire in Australia, just to name a couple. The global spread of the new coronavirus that surfaced at the end of the year was more overwhelming for the world to handle.

In 2019, Dharma Master Cheng Yen appealed to all Tzu Chi volunteers to “not forget that year, that person and one’s aspiration”. Tzu Chi volunteers in Singapore have always remembered the core visions and missions of Tzu Chi and the reason they decided to be part of the foundation to serve selflessly. During the monthly charity home visits, medical treatments, aid supplies and moral support are provided to low-income care recipients with the hope to give them the strength to persevere in life. The Seeds of Hope Programme has enabled more students to study with a peace of mind, continue to be filial to their parents and do good, regardless of poverty and challenging living conditions.

Our environmental protection activities are held as usual on a monthly basis across the island. We have also collaborated with government agencies and non-governmental organizations (NGOs) this year to jointly promote eco awareness, with the objective to encourage more people to integrate environmental protection practices into their lifestyle!

In the same year, Tzu Chi had opened its second Traditional Chinese Medicine free clinic in Khatib and established two senior activity centres in Bukit Batok and Jurong West to help the vulnerable communities stay healthy. In September, Tzu Chi launched its Humanistic Youth Centre in Yishun as a one stop youth platform to encourage youths to take part in charity and be a positive influence in the society.

“Sincerity, Uprightness, Faith and Steadfastness are our Nourishing Ground. Loving-kindness, Compassion, Joy and Equanimity are our Soothing Breezes” is the spiritual direction given by Master Cheng Yen for the year 2020. We bid goodbye to the previous year with gratitude and usher in the future with sincere blessings. Although the year 2019 has been devastated by endless major and minor disasters, we firmly believe that as long as we continue to exude compassion and love to inspire ripples of goodness, we will definitely bring forth more stability. Together, we can make Singapore safe and create a more beautiful world.

## 主席致词

走过2019年，感恩的是新加坡平安无灾，但全球却是灾难频传，包含非洲大水、澳洲大火，还有年底新型冠状病毒疫情的全球扩散，更令大家惶惶不安。

2019年，上人呼吁「莫忘那一年、那一人、那一念」，新加坡慈济人回顾过去，不忘初心，无私付出。每个月的慈善访视，为贫困的照顾户送上医疗、物资及肤慰，带来生活的力量。透过新芽奖励金、助养金的发放，让更多的学子，不因家庭贫困、环境艰难，持续那份立志向学、孝顺父母的善念孝行。环保活动每个月在全岛进行，今年也和政府及非政府组织（NGO）团体合作，共同推动环保教育，希望带动更多人身体力行做环保，与地球共生息！

过去一年中，慈济在卡迪开设一间中医义诊中心，并在武吉巴督和裕廊西成立了两间乐龄长青馆，为长者及贫病者带来一个照顾健康的场所。而在2019年9月，位于义顺的慈济人文青年中心成立，慈济打造一站式的青年公益平台，呼吁及邀约更多年轻人投身公益，共创良善的社会风气。

「诚正信实为大地，慈悲喜舍为和风」，是证严上人送给大家在2020年的心灵方向。用感恩心送走过去，用虔诚心祝福未来，面对2020年，虽然大小三灾不断袭击而来，但是我们坚信，只要持续发挥慈悲爱心能量，启发善的涟漪，一定可以带来安定的力量，让新加坡平安，让世界更为美丽。

## CEO'S Message



**Low Swee Seh**  
*Chief Executive Officer*  
*Tzu Chi Foundation (Singapore)*

Year 2019 has been a turbulent year filled with incessant political conflicts and economic instability around the world. At the same time, mankind has to deal with the escalating environmental threats as a result of climate change. According to statistics, global carbon dioxide emissions have reached a new high in 2019 and the environmental destructions caused by global warming are hastening at an alarming rate. The irregularity and imbalance in the four elements (earth, water, fire and wind) of nature have led to the increasingly frequent natural disasters, which have turned millions into climate refugees as homes are lost.

It is truly a blessing to be in Singapore, a safe and stable nation as compared to many other countries. For that, we are grateful and therefore committed to our missions by serving the community diligently. We are also thankful for the contributions and selfless dedications of the benevolent philanthropists who support Tzu Chi's charitable missions that aim to educate the rich and help the poor as well as provide relief and support for the underprivileged.

Looking back, Tzu Chi has provided financial assistance and moral support to 1,402 vulnerable local households through regular supply of living necessities, medical treatments and education allowances. Each month, there are more than 500 volunteers who visit the care recipients without fail, to listen to their plights and assist them whenever help is needed. All these are paramount in giving the needy the strength to carry on with life.

To promote healthy and active aging among the growing senior community, three new Tzu Chi establishments were launched in 2019 i.e. the Traditional Chinese Medicine free clinic in Khatib and two senior activity centres in Bukit Batok and Jurong West. Together with our family medicine clinic, day rehabilitation centre, home care services, home palliative care services, etc., a more comprehensive medical network is established to provide quality services for the underprivileged who require medical attention.



Young people are carefree and passionate in nature, and it takes concerted efforts from the society to groom them into future pillars of the nation. As part of the efforts, Tzu Chi Singapore launched the Humanistic Youth Centre (HYC) in September 2019 with the hope of providing a new platform for youths to learn and materialise wholesome values. By pooling together relevant resources and expertise, this centre provides a conducive environment for young people to get involved in charity and bring about positive impact to the community on a sustainable basis.

Located by Yishun Pond, next to Khoo Teck Puat Hospital, HYC occupies the former premises of Yishun Polyclinic. Having signed a Memorandum of Understanding with Nee Soon Group Representation Constituency Citizens' Consultative Committees, Tzu Chi spent six months in planning and setting up with the aim to fully utilise every inch of space in the premise by furnishing it with complete facilities and conducive public space.

Tzu Chi, through organising various projects, courses and activities at HYC, hopes to inspire kindness and inculcate positive values in youth. We want to make learning fun and encourage them to pay more attention to social and welfare issues. Tzu Chi has also collaborated with a number of like-minded organisations and individuals with various specialties to create this one-stop youth platform.

There is no time to lose when it comes to preserving the environment. In the past year, Tzu Chi has continued to promote eco awareness and appeal to the public to make environmental protection as part of one's life. In addition to sorting recyclables at its 40 community recycling points and Eco-Awareness Centre in Woodlands, Tzu Chi volunteers have actively worked with government agencies and other non-governmental organisations (NGOs) to raise awareness about vegetarianism for a sustainable future through seminars or setting up eco booths at companies, campuses, shopping centres and large-scale events.

Dharma Master Cheng Yen aspires for Tzu Chi volunteers to serve the locals through "education" and "humanistic culture", and to recruit more volunteers, gathering kind thoughts to safeguard our homeland. We look forward to seeing more like-minded individuals doing good and cultivating good thoughts every day.

## 执行长致词



慈济基金会（新加坡）  
执行长刘瑞士

宏观天下，2019年全球的政治和经济局势变动不休、冲突不断，环境危机更是步步逼近。根据统计，今年全球二氧化碳排放量将创新高，全球暖化导致生态环境遭受破坏的现象越趋严重。地水火风四大不调，天灾频仍，百万人沦为气候难民，饱受流离失所之苦。

身处在平安稳定的新加坡，我们由衷感恩与珍惜，谨守该做的本分事，踏实耕耘，愿行如常，也非常感激诸位仁翁善士无私的奉献和付出，护持慈济志业的推动，教富济贫，守护苦难人，为社会带来美善循环。

回顾2019年，慈济持续通过生活、医疗、教育等面向的经济或精神援助，帮助本地1402户的弱势家庭。每月有超过500位志工全年无休，穿梭在组屋中进行家访关怀，亲访走入苦难家庭，透过聆听及肤慰，陪伴他们度过生活难关。

因应老龄化人口的趋势，2019年慈济在卡迪开设一间中医义诊中心，并在武吉巴督和裕廊西成立了两间乐龄长青馆，带动附近的长者度过活跃、健康的晚年生活。连同我们的全科医疗诊所、日间康复中心、居家医护服务、居家临终关怀服务等，形成一个更完善的医疗网，为贫病人士提供优质服务。

年轻人本具赤子心和热忱，需要各方用心合力地培育。新加坡慈济累积二十多年志业推动的经验，在2019年9月份，成立慈济人文青年中心，希望建构全新的公益学习和实践平台，媒合相关资源和专业，辅助年轻一代投身公益，永续良善的社会影响力。

青年中心坐落在义顺社区，毗邻邱德拔医院，前身为义顺综合诊疗所。其筹建得到内政部长兼律政部长尚穆根以及义顺基层组织的支持。

慈济在其宽敞空间里，经半年策划和筹备，规划完善设备和公共空间，通过各类合作项目、课程、活动，寓教于乐，启发善念，让年轻人从中培养正向的人生价值观，关注公共和慈善议题，此外也邀请专业伙伴团体进驻，共同打造一站式青年公益平台。

环境保护不能等，过去一年来，慈济持续环保教育工作，不断推动环保生活化。除了全岛40个社区环保点和一间环保教育站，慈济人也积极和政府与其它非政府组织(NGO)合作，或透过讲座或设摊的方式，在企业、校园、购物中心、大型活动中，将环保素食理念广传出去。

证严上人期待慈济人能以“教育”和“人文”来深耕本土，招募百万好心人，凝聚更多善念和福缘，守护我们自己的家园。我们期盼人人都能成为招募百万好心人的一份子，邀约亲朋好友付出大爱，天天发善念、天天起善行！



# Board of Directors



**Toh Kim Kiat**  
*Chairman*



**Yan Su Yuan**  
*Honorary Secretary*



**Sim Sem Peng**  
*Assistant Secretary*



**Ong Wee Heng**  
*Honorary Treasurer*



**Chang Horng Lin**  
*Member*



**Lin Pi-Yu**  
*Member*



**Lin Su-Yun**  
*Member*



**Siew Pei Fung**  
*Member*



**Teo Chee Seng**  
*Member*



**Sim Hee Chew**  
*Member*



**Ng Chuan Lim**  
*Member*

# Management



**Low Swee Seh**  
*Chief Executive Officer*



**Khoo Kean Yee**  
*Deputy Chief Executive Officer*



**Tan Chai Hoon**  
*Deputy Chief Executive Officer*



**Susi Zhao**  
*Deputy Chief Executive Officer*



**Lo-Hsu Hsueh Yu**  
*Deputy Chief Executive Officer*



**Keng Lim**  
*General Manager*



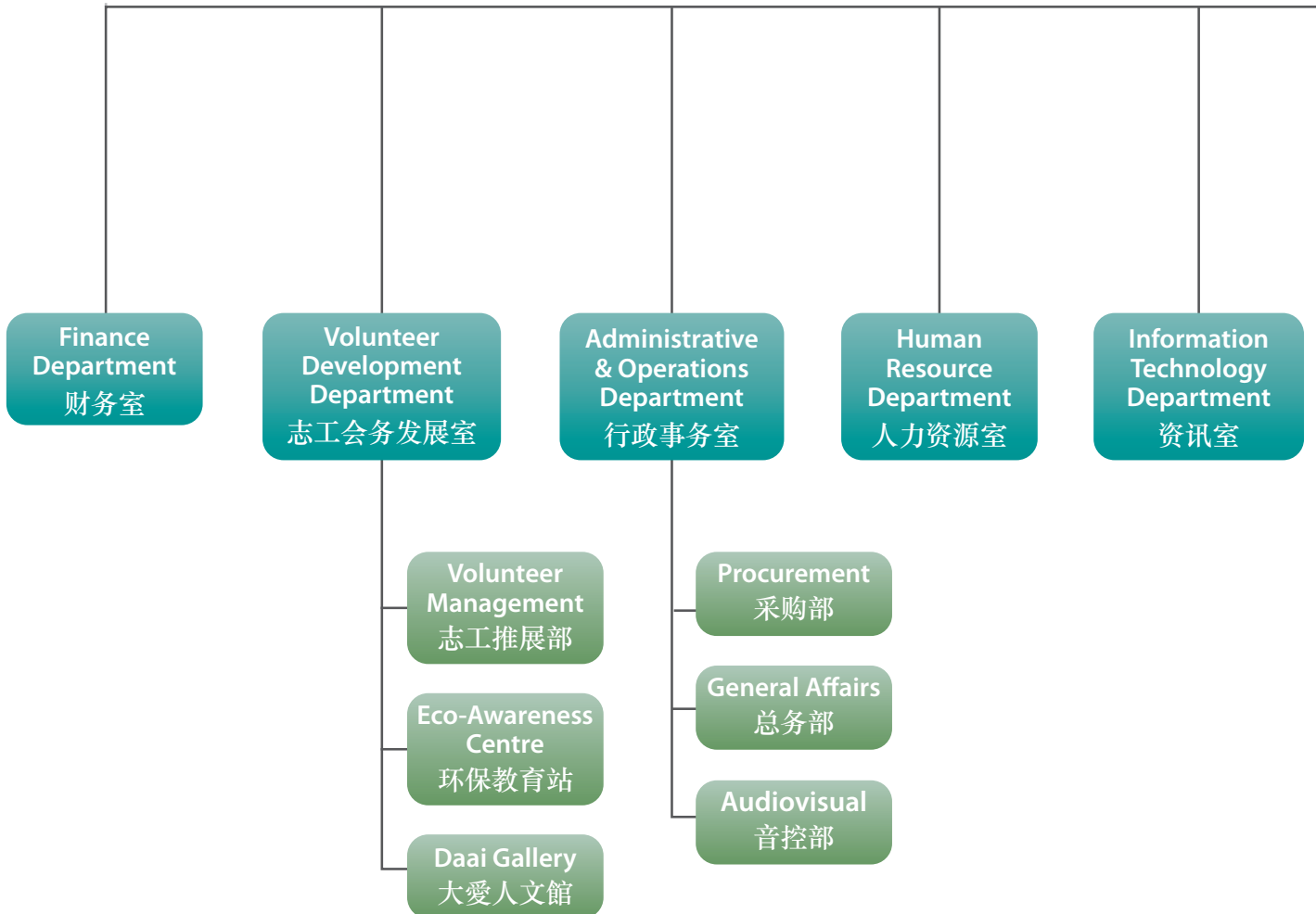
**Boh Shuhui**  
*Deputy General Manager*

# Organisational Structure

Board of Directors

CEO Office

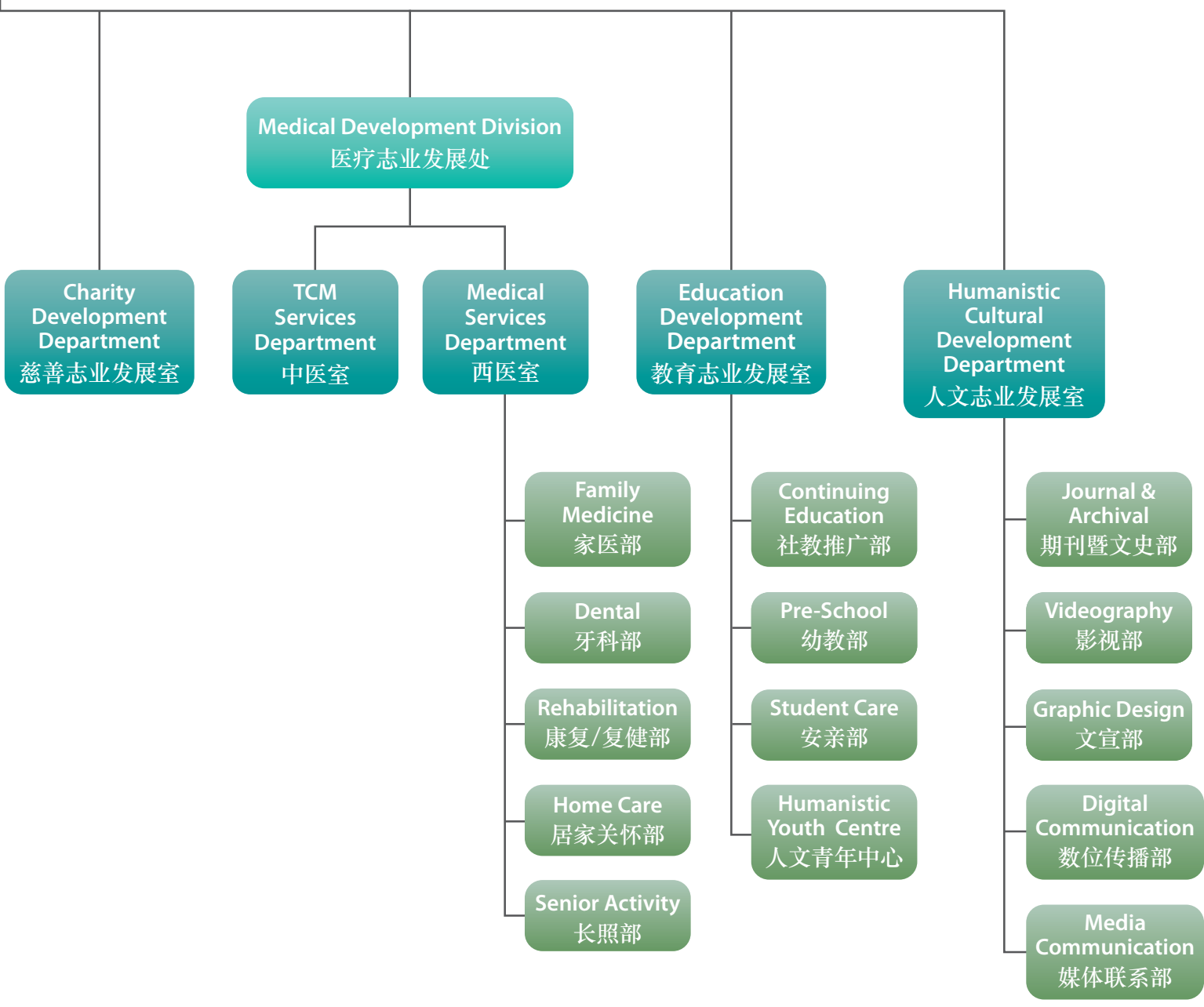
1. CEO / Deputy CEO 执行主席
2. General Manager 行政主任
3. Deputy General Manager 行政副主任
4. Executive Secretary 行政秘书



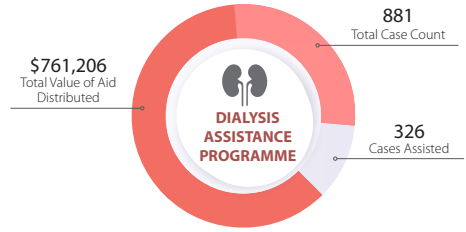
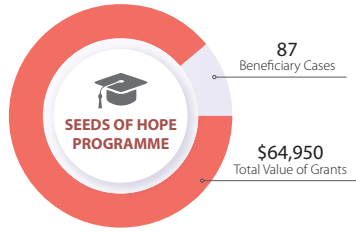
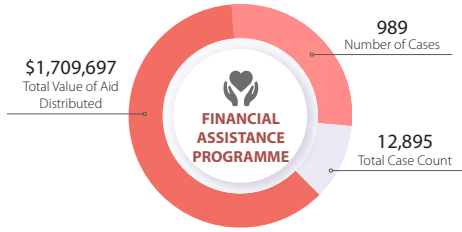


Directors 理事会

执行长办公室  
行政团队  
主任  
行政副主任  
行政秘书

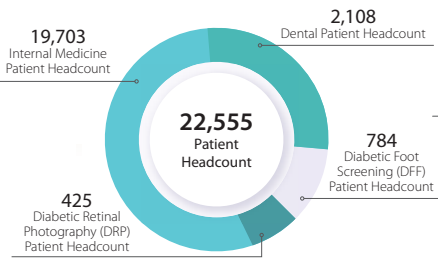


## Charity 6,434 Volunteer Headcount

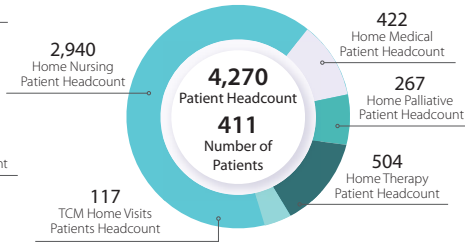


## Medicine

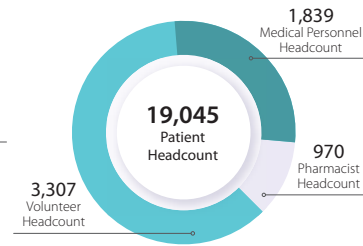
### LAKESIDE FAMILY MEDICINE CLINIC SERVICES



### TZU CHI HOME CARE SERVICES



### TCM FREE CLINIC SERVICES (REDHILL+KHATIB)



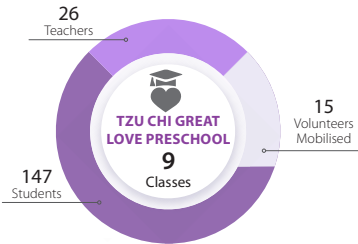
### DAY REHABILITATION CENTRE



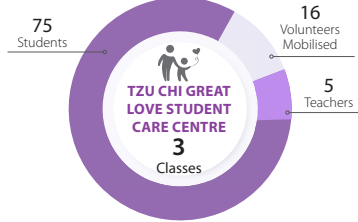
### SENIORS ENGAGEMENT & ENABLING NODE (SEEN)



## Education



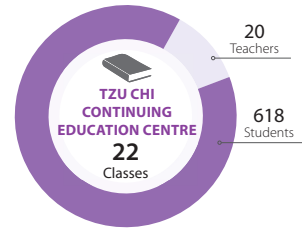
### TZU CHI PARENT-CHILD BONDING CLASS



### TZU CHI TEENAGERS' ENRICHMENT CLASS



### TZU CHI COLLEGIATE YOUTH ASSOCIATION



### TZU CHI GREAT LOVE MOTHERS FELLOWSHIP



## Environmental Protection



**321,478kg**  
Total Weight of Paper Recyclables Collected in 2019



**5,762**  
Number of 20-year-old Trees Saved



About **1,000**  
Recycling Volunteers Per Month

## Community Volunteerism



### VOLUNTEER TRAINING



### DONATIONS



## 2019 Statistic



Number of  
Donors **57,354**



Number of  
Volunteers **3,209**



Staff Strength **141\***



Number of  
Charity Beneficiary Cases **1,402**



Patient Headcount  
(Traditional Chinese Medicine) **19,045**



Patient Headcount  
(Western Medicine) **22,555**



Patient Headcount  
(Home Care Services) **4,270**

*\* One employee with annual remuneration above \$100,000 per annum*

# Map of Services





- |   |   |
|---|---|
| <b>01</b> Jing Si Hall<br>Tzu Chi Continuing Education Centre | <b>07</b> Tzu Chi Free Clinic (Redhill)                         |
| <b>02</b> Tzu Chi Da Ai Gallery                               | <b>08</b> Tzu Chi Free Clinic (Khatib)                          |
| <b>03</b> Tzu Chi Great Love Student Care Centre              | <b>09</b> Tzu Chi Day Rehabilitation Centre                     |
| <b>04</b> Tzu Chi Great Love Preschool                        | <b>10</b> Seniors Engagement & Enabling Node (SEEN)@Bukit Batok |
| <b>05</b> Tzu Chi Eco-Awareness Centre                        | <b>11</b> Seniors Engagement & Enabling Node (SEEN)@Nanyang     |
| <b>06</b> Lakeside Family Medicine Clinic                     | <b>12</b> Tzu Chi Humanistic Youth Centre                       |



# We are expanding to reach out to a Wider Community



With an aspiration to manifest a harmonious world through the joint efforts of people around the globe, Dharma Master Cheng Yen founded Tzu Chi's Missions of Charity, Medicine, Education and Humanistic Culture. Determined to relieve the pain and sufferings in this world, Master Cheng Yen has been tirelessly guiding Tzu Chi volunteers that are expanding in number globally to provide timely assistance to those in need.

People have changing physical, mental and spiritual needs at different stages of life, which form the fundamentals of charitable relief works today. Despite having its respective function and purpose, Tzu Chi's four missions are interlinked with resources pooled and synergised to meet the current needs of the society.

Year 2019, with the support of the government and local communities, witnessed the birth of four new Tzu Chi Foundation (Singapore) establishments with attempts to extend its network of care to a wider community. As a charity foundation actively looking out to support new charitable causes, Tzu Chi is aware of the urgency to meet the demands of the ageing population and to empower our youths to gear towards a sustainable future.

As one of the countries with the highest life expectancy and lowest fertility rate, seniors (aged 65 years and above) in Singapore will make up a quarter of its total population by 2030. An aging population denotes an aging workforce, which will in turn place a greater pressure on the public healthcare system. However, with the aim to be a City for All Ages, Singapore aspires to become a place that enables its seniors to age healthily and spend their golden years meaningfully.

Aligned with government's initiative to provide seniors access to quality care within their reach, two senior activity centres namely SEEN@Nanyang and SEEN@Bukit Batok are launched in the western region. "Seniors Engagement & Enabling Node" (SEEN), is coined in response to the Ministry of Health's new plan for senior activity centres to serve as drop-in centres, and a community link to engage the seniors through various activities. The programmes in SEEN are designed with preventive health care in mind to delay frailty and enhance the health of the senior community. In addition, the centres have activities in place to enhance intergenerational connection by educating youths to be respectful of the seniors, and for the seniors to enjoy the companionship of the young.

Traditional Chinese Medicine (TCM) delves in the philosophy of preventive healthcare, where prevention is better than cure. Establishing Tzu Chi's second TCM Free Clinic in Khatib is the concerted effort to raise awareness about preventive healthcare to the local community, especially the seniors. Officially launched on 29 September 2019, the free clinic not only provides a medical consultation alternative for residents, but also establishes a close rapport between the residents and Tzu Chi volunteers through the provision of holistic care and support from the latter in the clinic.

The last establishment launched in the same year is Tzu Chi Humanistic Youth Centre (HYC), a non-profit start-up that aims to bring about a positive impact to the youth community and to groom future leaders for our nation. Located by the Yishun Pond, next to Khoo Teck Puat Hospital, HYC occupies the former premise of Yishun Polyclinic. Tzu Chi took over the premise in 2019 and transformed the polyclinic into a tastefully furnished venue to serve youths aged 15 to 35. It features a comprehensive range of facilities and activities catered to nurturing and shaping young minds. Ultimately, HYC hopes to empower youths to create positive social impact locally and internationally through the centre's various programmes and activities.

On 30 September, the official opening ceremony of HYC was graced by Members of Parliament for Nee Soon GRC, local community leaders, leaders of various organisations as well as Tzu Chi volunteers from Singapore, Taiwan, Malaysia and Indonesia. The Guest of Honour, the Minister for Law and Home Affairs, Mr. K. Shanmugam expressed his faith in Tzu Chi's humanistic culture and affirmed the establishment of HYC to be in line with the government's future plans. He hopes to see Nee Soon developing into an idyllic place for the residents.

Tzu Chi would not have been able to serve the communities in Singapore for the past 26 years without the unwavering support of and resources from our volunteers and donors. In this journey, the foundation has inspired many individuals and gains recognition from the government, grassroots organisations and members of public. These affirmation and support has kept Tzu Chi going tirelessly in carrying out its charitable missions and is determined to achieve its objectives by reaching out to more underprivileged individuals and families in Singapore.

# Our new role in safeguarding the Health of the Seniors



Dharma Master Cheng Yen who is in her 80s, has always reminded herself to be young at heart and will often encourage the senior volunteers in Tzu Chi to think likewise by staying active upon retirement.

In view of the aging population in Singapore, Tzu Chi has gradually expanded its community service initiatives to incorporate the concept of preventive medicine. Through encouraging active lifestyle, meatless diet, rehabilitative treatments and Traditional Chinese Medicine treatments, we hope to enhance the physical and mental health of seniors, which is in line with the Singapore government's plan for senior citizens.

Inaugurated in September 2019, Tzu Chi's Seniors Engagement & Enabling Node (SEEN) in the western region i.e. Bukit Batok and Jurong West constituencies are established to serve the seniors living in nearby studio apartments and the neighbourhoods, who are mostly in relatively good health. Besides offering a wide range of healthy and engaging activities to promote "Active Ageing", the centres also facilitate the seniors in bonding and building friendships. Managed by eight staff and 14 volunteers, both SEENs have had total number of 1,296 visits since its inception.

“ *Older people are most afraid of becoming physically frail and losing their mental faculties. Staying active and socially connected is a great way to slow the aging process.*”

*~ Dharma Master Cheng Yen, founder of Tzu Chi*

Being more than just a senior activity centre in the community, SEEN plays the role of a service provider that coordinates the various services to help the seniors age in place. Equipped with the Alert Alarm System, our staff and volunteers are responsible for monitoring and responding to urgent requests from the seniors in need. SEEN also participates in the National University of Singapore's Healthy Ageing Promotion Programme for You (HAPPY) and collaborates with Lien Foundation to provide Gym Tonic facilities which aim to help slow down physical frailty and age-associated diseases among the seniors.

To enhance the physical health of local community residents especially the seniors, a second Tzu Chi Traditional Chinese Medicine Free Clinic is set up in Khatib to not only provide basic TCM clinical services but also holistic services including “La Jin” (stretching therapy), dietetic therapy and health education to encourage healthy living and prevent age related sickness.

With the strength of 25 TCM practitioners (including volunteer physicians) and 140 volunteers, the free clinic had provided 4,344 consultations to 1,421 patients within a span of four months in 2019.





# The vital presence of Love in Children's growing up years



The year 2019 marks the 30th anniversary of Tzu Chi's Education Mission. With the objective of inspiring love, Tzu Chi's education is designed to not only instill in students knowledge and living skills, but also to enhance their awareness of the humanistic spirit. In Taiwan, Tzu Chi has a comprehensive education system which encompasses pre-school, primary and secondary schools, and tertiary institutions.

Tzu Chi Singapore operates the Great Love PreSchool; however, the commitment to education stretches beyond classroom teaching and is a lifelong process. In furtherance to formal education, Tzu Chi Singapore has been organising monthly enrichment courses and humanities activities for students from elementary school to university for more than 20 years.

Revamped in 2019, the Parent-Child Bonding Programme aims to strengthen the interaction between parents and children, and help them learn and grow together. Whereas for the "Great Love Mothers" Fellowship which was established in September 2007, it collaborates with Maha Bodhi School and Mee Toh School to conduct moral development and character building classes for students through the teaching of Jing Si Aphorisms. For secondary students, there are programmes such as Tzu Chi



“ *Children are the hope of the society and the hope of the children lies in education.*”

~ Dharma Master Cheng Yen, founder of Tzu Chi

Teenagers' Enrichment Class (known as Tzu Shao Class), and Tzu Chi Collegiate Youth Association for tertiary students where they are exposed to Tzu Chi's humanistic culture and positive influences that guide them towards the right path in life. These elaborately curated enrichment courses have been made possible by the group of dedicated volunteers who are committed to the Mission of Education.



For underprivileged students, education is the key to break the cycle of poverty. With this objective, Tzu Chi's Seeds of Hope (SOH) Programme was implemented to assist students from low income families in their schooling needs. Besides easing the financial burden of these households, the programme encourages students to do well in their studies and other aspects of their life.

Over the years, many of our SOH beneficiary students have been inspired to give back to the society. One of them is Qaisyara, who received assistance and moral support from Tzu Chi five years ago, and became a Tzu Chi volunteer in 2019 to pay the love forward.

# Environmental Protection as a way of life



With active participation in several major eco awareness events, 2019 has been one rewarding year for Tzu Chi's Environmental Protection Mission. Besides successfully holding the first Eco Awareness Carnival at Bedok Town Square in April that had attracted 2,000 visitors and recruited 75 new volunteers, the foundation was also invited to more government-organised eco events such as Keep Clean Singapore 2019, Towards Zero Waste, Clean and Green, to name a few. These invitations have given our volunteers the opportunities to share environmental knowledge and green practices with a wider public.

Apart from gaining more public exposure, our newly revamped Eco Awareness Centre that was relaunched in 2018 had also seen a surge in the number of visitors and group visits from schools, enterprises and other organisations, receiving a total of 1,900 visitors and 97 group visits in 2019 alone. This reflects a growing awareness amongst the local community about the importance of leading a sustainable lifestyle, which is crucial for the survival of humanity and all living beings on earth.

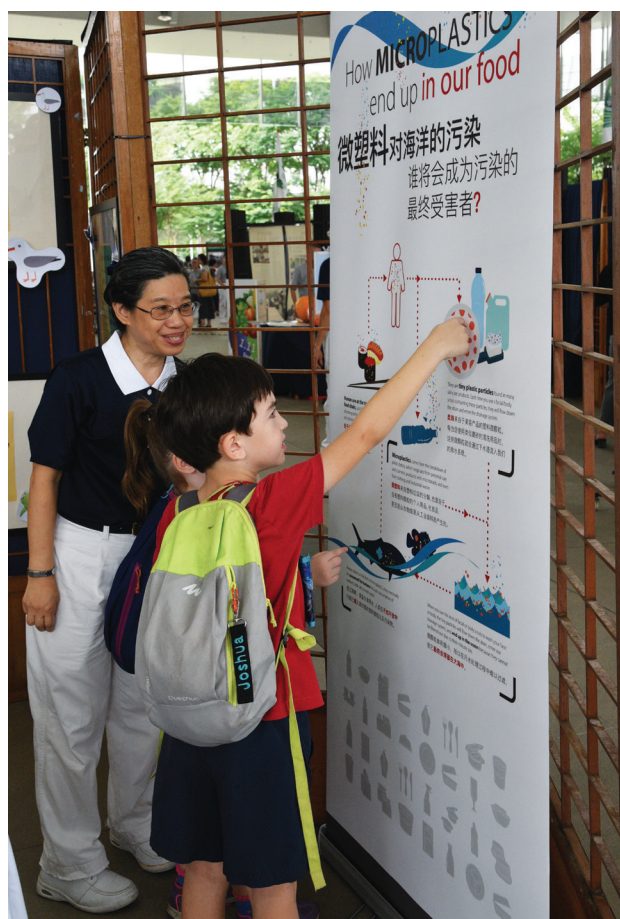
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*As inhabitants of the Earth, we are nourished and sustained by Mother Earth who provides us with food and all the resources for life. If she is healthy and well, we will be healthy and well. Our fates are intertwined.”*

*~ Dharma Master Cheng Yen, founder of Tzu Chi*

The well-being of the world is our collective responsibility and it is important for us to create a more sustainable future for the younger generations. Over the years, our recycling volunteers have committed themselves to sorting recyclables and promoting environmental awareness to the public during the monthly recycling activity. Through sorting the recyclables at Tzu Chi’s 40 community recycling points across Singapore, volunteers and the general public become aware of the high volume of wastage created by a consumerist culture and its impact on Mother Earth, thus inspiring them to reflect on their spending habits and strive to reduce waste at the source.

This leads to another significant pillar of Tzu Chi’s environmental protection philosophy, which is the safeguarding of one’s “spiritual environment”. It is through such “physical recycling” that volunteers eventually progress towards “spiritual recycling”. i.e. the purification of one’s mind, which is the ultimate objective of Tzu Chi.



# Corporate Governance

## Board of Directors

The Board provides strategic directions and steers Tzu Chi Singapore towards a sustainable future through best practices in relevant sectors. It ensures that Tzu Chi cultivates a good corporate governance culture by continually strengthening its internal control environment. It also ensures that there are adequate resources and that they are being effectively and efficiently managed, to advance Tzu Chi's missions and operations.

Prior to the beginning of each financial year, the Board reviews and approves the annual budget. The Board also reviews and approves the periodic management reports, and monitors the expenditure against the approved budget. All new significant activities and transactions initiated by Tzu Chi also require approval from the Board.

The Board ensures that Tzu Chi also has processes in place to ascertain its compliance with all applicable laws, rules and regulations, including Code of Governance for Charities and Institutions of Public Character. The Board ensures that the financial statements are in compliance with the provisions of Societies Act, Charities Act, and the Financial Reporting Standards (FRS) in Singapore.

Roles and responsibilities of the Board and management are kept separate to maintain effective oversight. Day-to-day management activities of Tzu Chi are delegated by the Board to the management team headed by the Chief Executive Officer (CEO). The CEO and his management team consult the Board and its Sub-Committees through meetings, teleconferences, telephone calls and electronic mails.

As part of Tzu Chi's direction towards organisational excellence, the management has embarked on the journey to enhance its corporate governance initiatives since financial year 2016. With the objectives of better resources management and robust internal control environment, efforts to enhance and automate its work processes are ongoing, and shall continue for at least the next few financial years.

## Corporate Governance

The Board held a total of four meetings in financial year 2019.

| Dates of Board Meetings | Attendance (%) |
|-------------------------|----------------|
| 29 March 2019           | 82%            |
| 29 May 2019             | 64%            |
| 29 June 2019            | 100%           |
| 30 December 2019        | 73%            |

Members of the 10<sup>th</sup> Board were elected on 27 June 2018 during the Annual General Meeting with a two-year term from 1 July 2018 to 30 June 2020.

| Directors' attendance at Board Meetings<br>(for the financial year ended 31 December 2019) |                      |                          |
|--|----------------------|--------------------------|
| Name of Director   | No. of meetings held | No. of meetings attended |
| Toh Kim Kiat (Chairman)  | 4                    | 4                        |
| Chang Horng Lin  | 4                    | 4                        |
| Ong Wee Heng   | 4                    | 1                        |
| Lin Pi-Yu  | 4                    | 3                        |
| Lin Su-Yun   | 4                    | 4                        |
| Ng Chuan Lim   | 4                    | 3                        |
| Sim Hee Chew   | 4                    | 3                        |
| Sim Sem Peng   | 4                    | 4                        |
| Yan Su Yuan  | 4                    | 4                        |
| Teo Chee Seng  | 4                    | 2                        |
| Siew Pei Fung  | 4                    | 3                        |



# Corporate Governance

Board members who have served for over 10 consecutive years (By 30 June 2020)

| No | Name                              | Duration of service | Reasons  |
|----|-----------------------------------|---------------------|--|
| 1. | Toh Kim Kiat<br>(Ven. Shih De Ge) | From September 2008 | A monastic disciple of Dharma Master Cheng Yen, Ven. De Ge is exemplary in practising frugality, self-discipline, perseverance, and diligence. She provides overall guidance and support to the Foundation on its operations.  |
| 2. | Lin Pi-Yu                         | From September 1998 | A veteran Tzu Chi volunteer, Lin Pi-Yu is a certified accountant in Taiwan who assists with guiding the development of Tzu Chi's Missions in Taiwan and overseas. With vast experience in the operations of the Missions, she has helped to guide the work and direction of the Foundation for many years. |
| 3. | Lin Su-Yun                        | From January 2003   | A veteran Tzu Chi volunteer, Lin Su-Yin possesses decades of experience heading the accounts department of charities. She provides guidance and advice to the Foundation on accounts related matters.  |
| 4. | Teo Chee Seng                     | From September 2008 | A veteran Tzu Chi volunteer, Teo Chee Seng is an experienced lawyer in Singapore. He provides legal advice to the Foundation and assists with legal matters pertaining to its operations and development.  |

# Corporate Governance

## Sub-Committees

The Board has established six sub-committees, each chaired by a committee member to assist in overseeing its functions and executing the responsibilities. All sub-committees are elected for a two-year term. They are empowered by the Board to decide matters within their terms of reference and decisions shall be referred to the Board for approval. Sub-committee meetings are held periodically during the financial year.

### *Sub-Committees from 1 January 2019 to 31 December 2019*

| Audit Committee |               |
|-----------------|---------------|
| Chairman        | Sim Sem Peng  |
| Member          | Lin Su-Yun    |
| Member          | Hou Chih-Ling |
| Member          | Khoo Jyh Hao  |
| Member          | Hsu Tun Ying  |
| Member          | Lim Wah Chun  |
| Member          | Sok Hang Chaw |

| Fundraising Committee |                          |
|-----------------------|--------------------------|
| Chairman              | Sim Hee Chew             |
| Member                | Low Swee Seh             |
| Member                | Ng Chuan Lim             |
| Member                | Keng Lim @ Lim Wei Kheng |
| Member                | Sim Sem Peng             |
| Member                | Sok Hang Chaw            |

| Human Resource Committee |                          |
|--------------------------|--------------------------|
| Chairman                 | Yan Su Yuan              |
| Member                   | Low Swee Seh             |
| Member                   | Keng Lim @ Lim Wei Kheng |
| Member                   | Ng Chuan Lim             |
| Member                   | Chang Chung Kuei-Chen    |

| Investment Committee |               |
|----------------------|---------------|
| Chairman             | Ng Chuan Lim  |
| Member               | Sim Sem Peng  |
| Member               | Low Swee Seh  |
| Member               | Lin Su-Yun    |
| Member               | Hou Chih-Ling |
| Member               | Sok Hang Chaw |

| Nomination Committee |                 |
|----------------------|-----------------|
| Chairman             | Lin Pi-Yu       |
| Member               | Chang Horng Lin |
| Member               | Toh Kim Kiat    |
| Member               | Lin Su-Yun      |

| Programmes Committee |                |
|----------------------|----------------|
| Chairman             | Sim Hee Chew   |
| Member               | Low Swee Seh   |
| Member               | Luar Siok Hong |
| Member               | Sim Sem Peng   |

# Corporate Governance

The activities of each sub-committee during the financial year are as follows:

1. **Audit Committee**

Audit Committee reviewed the annual financial statements and internal control procedures. The review focused on changes in accounting policies and practices, major judgemental and risk areas, significant adjustments resulting from the audit, compliance with accounting standards, and compliance with Societies Act, Charities Act and other relevant regulations.

2. **Fundraising Committee**

The Fundraising Committee developed and proposed Tzu Chi's annual fundraising programme to the Board, which include the objectives, contents and budget of each activity. In view of the fast development of Tzu Chi with new proposed establishments, the committee proposed to continue actively seeking grants and subsidies from Government agencies as well as contributions from other private funds and organisations.

3. **Human Resource Committee**

The Human Resource Committee reviewed human resource policies with the objective to align the existing practices with relevant industries' best practices to ensure that Tzu Chi stays competitive in staff attraction and retention.

In financial year 2019, the Committee reviewed and supported Management's implementation of awarding one-time appreciation allowance to well-performing staff whose remunerations have reached the salary ceiling.

In view of expansion of Tzu Chi's Medicine and Education Missions, the Committee has also assessed and endorsed Management's decision to decentralise functions, such as recruitment and training application. With the Heads of Departments taking care of their departmental needs, this has enhanced the efficiency and effectiveness of such functions and addressed the needs of the staff and organisation in a timely manner.

4. **Investment Committee**

The Investment Committee reviewed investment policies and guidelines. The Committee also implemented investment strategies and monitored the overall investment portfolio to achieve the investment objectives.

In financial year 2019, the committee recommended premier foreign banks which provide better interest rates for fixed deposits.

5. **Nomination Committee**

The Nomination Committee's responsibilities and duties include reviewing of the Board's structure, size and composition (including the board members' skills, knowledge and experience) on a regular basis, selecting individuals to be nominated for directorship and assessing individuals' suitability to become qualified members of the Board and, reviewing the independence of the directors to ensure that they perform their duties according to the missions and objectives of the Foundation.

6. **Programmes Committee**

The Programmes Committee reviewed activities, programmes and projects to ensure that they comply with the existing government laws and are consistent with Tzu Chi's missions and objectives.

In financial year 2019, the Committee conducted assessments of new proposed preschool sites to ensure that with the expansion of Education Mission, the humanistic values and culture of Tzu Chi continue to be upheld.

# Corporate Governance

## Governance Evaluation and Policies

### - Governance Evaluation -

Annually, Tzu Chi performs the online governance evaluation on the extent of its compliance with the essential guidelines in the Code of Governance for Charities and IPCs via the charity portal. The Governance Evaluation Checklist for the period 1 January 2019 to 31 December 2019 can be viewed on the Charity Portal [www.charities.gov.sg](http://www.charities.gov.sg) after 30 September 2020.

### - Policy on Conflict of Interest -

All members of the Board, management, staff and volunteers (i.e. full time volunteers involved in Tzu Chi's administrative work) are required to read the policy on Conflict of Interest and sign a declaration form upon their recruitment or appointment as an acknowledgement of having understood the policy. As and when a (potential) conflict of interest situation arises, a full disclosure has to be made to the Board/Management immediately.

### - Policy on Whistle-blowing -

Tzu Chi adopted the Whistle Blowing Policy in financial year 2017 to ensure that staff, volunteers and external parties may, in confidence, raise concerns about possible improprieties in assets management, financial reporting or other matters.

Under the whistle-blowing programme, all staff, volunteers and external parties may raise concerns or observations on any suspected wrongdoing through email to Chairman of the Audit Committee. All whistle-blower reports are reviewed by the Audit Committee Chairman to ensure independent assessment, investigation and adequate resolution.

### - Human Resource Policy -

Tzu Chi has updated the Staff Handbook in financial year 2018 and ensure that the human resource management and operations are in compliance with the provisions of relevant laws and regulations in Singapore. With the revision, Tzu Chi aims to achieve better personnel management, optimise human capital resources, and enhance the work efficiency of staff.

The Staff Handbook is written with the Tzu Chi concept of "guiding people with precepts and managing people with love", and the market practices in relevant sectors.

### - Procurement Policy -

The Procurement Policy and purchasing practices have undergone thorough reviews since financial year 2017, with the policy fully revised in financial year 2019. It sets out to support Tzu Chi's operational needs, and govern the processes and procedures for the sourcing and procurement of goods and services.

Tzu Chi aims to achieve effective procurement so as to ensure the best use of its resources by producing the right output, attaining value for money over the contract duration, minimising risk, protecting its reputation and operating within the law.

### - Reserve Policy -

The reserves of Tzu Chi provide financial stability and serve to meet future increase in operating expenses as a result of expansion and development. Our long term goal is to achieve a reserve ratio of 2.5 times to its annual operating expenditure. The Board of Directors reviews the level of reserves regularly for Tzu Chi's continuing obligations.

|   | 2019 | 2018 | 2017 |
|---|------|------|------|
| Ratio of unrestricted funds to annual operating expenditure (times) | 1.65 | 1.79 | 1.86 |



**BUDDHIST COMPASSION RELIEF  
TZU-CHI FOUNDATION (SINGAPORE)**

(Unique Entity No: S93SS0148C)

(Registered under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

**Statement by Directors and  
Financial Statements**

Year Ended 31 December 2019



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## Statement by Directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the Foundation for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

On behalf of the directors

**Ms Toh Kim Kiat**  
President

**Mr Ong Wee Heng**  
Honorary Treasurer

**Ms Yan Su Yuan**  
Honorary Secretary

Singapore

(13 August 2020)

# Independent Auditor's Report to the Members of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore)

## **Report on the financial statements**

### **Opinion**

We have audited the accompanying financial statements of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation"), which comprise the statement of financial position as at 31 December 2019, and the statement of financial activities, statement of changes in accumulated funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and the Financial Reporting Standards (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the Foundation 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 Foundation 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 information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

## Independent Auditor's Report to the Members of the Buddhist Compassion Relief Tzu-Chi Foundation (Singapore)

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### **Other information** *(cont'd)*

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of management and those charged with governance for the financial statements**

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

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

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- (a) Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.

## Independent Auditor's Report to the Members of the Buddhist Compassion Relief Tzu-Chi Foundation (Singapore)

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### **Auditor's responsibilities for the audit of the financial statements** *(cont'd)*

- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 Foundation to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and where applicable, related safeguards.

### **Report on other legal and regulatory requirements**

In our opinion,

- (a) The accounting and other records required to be kept by the Foundation have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and
- (b) The fund-raising appeals held during the reporting year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

## Independent Auditor's Report to the Members of the Buddhist Compassion Relief Tzu-Chi Foundation (Singapore)

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### **Report on other legal and regulatory requirements** *(cont'd)*

During the course of our audit, nothing has come to our attention that causes us to believe that during the reporting year:

- (a) the Foundation has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institution of a Public Character) Regulations; and
- (b) the Foundation has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

### **RSM Chio Lim LLP**

Public Accountants and  
Chartered Accountants  
Singapore

Partner-in-charge of audit: Goh Swee Hong  
Effective from year ended 31 December 2018

(13 August 2020)



# Statement of Financial Activities

For the Reporting Year Ended 31 December 2019

| 2019  | Unrestricted funds |                   |                          |                 |                   | Restricted funds            |                                      |                |                |                  |                     |                  | Sub-total         | Total |
|---|--------------------|-------------------|--------------------------|-----------------|-------------------|-----------------------------|--------------------------------------|----------------|----------------|------------------|---------------------|------------------|-------------------|-------|
|   | General Fund       | Local Relief Fund | Charity Development Fund | Designated Fund | Sub-total         | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund   | Local Building Fund |                  |                   |       |
| <b>INCOMING RESOURCES</b>   | \$                 | \$                | \$                       | \$              | \$                | \$                          | \$                                   | \$             | \$             | \$               | \$                  | \$               | \$                |       |
| Voluntary income  | -                  | -                 | 7,907,454                | -               | 7,907,454         | -                           | -                                    | -              | -              | -                | -                   | -                | 7,907,454         |       |
| Charitable activities income  | -                  | -                 | 4,605,497                | -               | 4,605,497         | -                           | -                                    | -              | -              | -                | -                   | -                | 4,605,497         |       |
| Funds generating activities   | -                  | -                 | 388,992                  | -               | 388,992           | -                           | -                                    | -              | -              | -                | -                   | -                | 388,992           |       |
| Interest income   | -                  | -                 | 296,738                  | -               | 296,738           | -                           | -                                    | -              | -              | -                | 49,238              | 49,238           | 345,976           |       |
| Sundry income   | -                  | -                 | 272,759                  | -               | 272,759           | -                           | -                                    | -              | -              | -                | -                   | -                | 272,759           |       |
| Government grant  | -                  | -                 | 66,895                   | -               | 66,895            | 368,813                     | 47,199                               | -              | -              | -                | -                   | 416,012          | 482,907           |       |
| Other funding   | -                  | -                 | -                        | -               | -                 | -                           | -                                    | 260,000        | -              | -                | -                   | 260,000          | 260,000           |       |
| Amortisation of deferred capital grants   | -                  | -                 | 18,866                   | 377,952         | 396,818           | 34,493                      | -                                    | -              | -              | -                | -                   | 34,493           | 431,311           |       |
| <b>Total incoming resources</b>   | -                  | -                 | <b>13,557,201</b>        | <b>377,952</b>  | <b>13,935,153</b> | <b>403,306</b>              | <b>47,199</b>                        | <b>260,000</b> | -              | -                | <b>49,238</b>       | <b>759,743</b>   | <b>14,694,896</b> |       |
| <b>RESOURCES EXPENDED</b>   |                    |                   |                          |                 |                   |                             |                                      |                |                |                  |                     |                  |                   |       |
| Costs of generating voluntary income: fund raising  | -                  | -                 | 289,693                  | -               | 289,693           | -                           | -                                    | -              | -              | -                | -                   | -                | 289,693           |       |
| Costs of charitable activities: welfare services, homecare support expenses and cultural activities | -                  | -                 | 9,559,332                | 53,386          | 9,612,718         | 403,306                     | 45,482                               | 27,494         | 13,133         | -                | -                   | 489,415          | 10,102,133        |       |
| Administrative costs  | -                  | -                 | 2,370,426                | 324,566         | 2,694,992         | -                           | -                                    | -              | -              | -                | 70,203              | 70,203           | 2,765,195         |       |
| <b>Total resources expended</b>   | -                  | -                 | <b>12,219,451</b>        | <b>377,952</b>  | <b>12,597,403</b> | <b>403,306</b>              | <b>45,482</b>                        | <b>27,494</b>  | <b>13,133</b>  | -                | <b>70,203</b>       | <b>559,618</b>   | <b>13,157,021</b> |       |
| Surplus/(deficit) for the reporting year  | -                  | -                 | 1,337,750                | -               | 1,337,750         | -                           | 1,717                                | 232,506        | (13,133)       | -                | (20,965)            | 200,125          | 1,537,875         |       |
| Balance at 1 January 2019   | 8,912,617          | 10,539,761        | -                        | -               | 19,452,378        | -                           | -                                    | 211,000        | 140,000        | 1,800,000        | 3,151,523           | 5,302,523        | 24,754,901        |       |
| Transfer of funds   | (8,912,617)        | (10,539,761)      | 19,452,378               | -               | -                 | -                           | -                                    | -              | -              | -                | -                   | -                | -                 |       |
| <b>Balance at 31 December 2019</b>  | -                  | -                 | <b>20,790,128</b>        | -               | <b>20,790,128</b> | -                           | <b>1,717</b>                         | <b>443,506</b> | <b>126,867</b> | <b>1,800,000</b> | <b>3,130,558</b>    | <b>5,502,648</b> | <b>26,292,776</b> |       |

A further analysis of the above items is presented in the supplementary schedules.

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

# Statement of Financial Activities

For the Reporting Year Ended 31 December 2019

| 2018  | Unrestricted funds |                   |                 |                   | Restricted funds |                |                  |                     |                  |                   |
|---|--------------------|-------------------|-----------------|-------------------|------------------|----------------|------------------|---------------------|------------------|-------------------|
|   | General Fund       | Local Relief Fund | Designated Fund | Sub-total         | GYM Tonic Fund   | IngoT PCC Fund | Home Care Fund   | Local Building Fund | Sub-total        | Total             |
| <b>INCOMING RESOURCES</b>   | \$                 | \$                | \$              | \$                | \$               | \$             | \$               | \$                  | \$               | \$                |
| Voluntary income  | 3,118,684          | 5,185,340         | -               | 8,304,024         | -                | -              | -                | -                   | -                | 8,304,024         |
| Charitable activities income  | 1,435,278          | 2,039,119         | -               | 3,474,397         | -                | -              | -                | -                   | -                | 3,474,397         |
| Funds generating activities   | 68,333             | 123,463           | -               | 191,796           | -                | -              | -                | -                   | -                | 191,796           |
| Interest income   | 78,653             | 131,342           | -               | 209,995           | -                | -              | -                | 34,403              | 34,403           | 244,398           |
| Sundry income   | 113,148            | 34,607            | -               | 147,755           | -                | -              | -                | -                   | -                | 147,755           |
| Government grant  | 35,461             | 2,122             | 286,640         | 324,223           | -                | -              | -                | -                   | -                | 324,223           |
| Other funding   | -                  | 809,395           | -               | 809,395           | 211,000          | 140,000        | -                | -                   | 351,000          | 1,160,395         |
| Amortisation of deferred capital grants   | 40,873             | 10,102            | 186,277         | 237,252           | -                | -              | -                | -                   | -                | 237,252           |
| <b>Total incoming resources</b>   | <b>4,890,4303</b>  | <b>8,335,490</b>  | <b>472,917</b>  | <b>13,698,837</b> | <b>211,000</b>   | <b>140,000</b> | <b>-</b>         | <b>34,403</b>       | <b>385,403</b>   | <b>14,084,240</b> |
| <b>RESOURCES EXPENDED</b>   |                    |                   |                 |                   |                  |                |                  |                     |                  |                   |
| Costs of generating voluntary income: fund raising  | 227,586            | 11,157            | -               | 244,819           | -                | -              | -                | -                   | -                | 244,819           |
| Costs of charitable activities: welfare services, homecare support expenses and cultural activities | 1,775,850          | 5,993,061         | 341,110         | 8,110,021         | -                | -              | -                | -                   | -                | 8,110,021         |
| Administrative costs  | 1,824,015          | 574,209           | 131,807         | 2,530,031         | -                | -              | -                | 50,030              | 50,030           | 2,580,061         |
| <b>Total resources expended</b>   | <b>3,833,527</b>   | <b>6,578,427</b>  | <b>472,917</b>  | <b>10,884,871</b> | <b>-</b>         | <b>-</b>       | <b>-</b>         | <b>50,030</b>       | <b>50,030</b>    | <b>10,934,901</b> |
| Surplus/(deficit) for the reporting year  | 1,056,903          | 1,757,063         | -               | 2,813,966         | 211,000          | 140,000        | -                | (15,627)            | 335,373          | 3,149,339         |
| Balance at 1 January 2018   | 7,855,714          | 10,582,698        | -               | 18,438,412        | -                | -              | -                | 3,167,150           | 3,167,150        | 21,605,562        |
| Fund re-designated during the year ( Note 18 (v) )  | -                  | (1,800,000)       | -               | (1,800,000)       | -                | -              | 1,800,000        | -                   | 1,800,000        | -                 |
| <b>Balance at 31 December 2018</b>  | <b>8,912,617</b>   | <b>10,539,761</b> | <b>-</b>        | <b>19,452,378</b> | <b>211,000</b>   | <b>140,000</b> | <b>1,800,000</b> | <b>3,151,523</b>    | <b>5,302,523</b> | <b>24,754,901</b> |

A further analysis of the above items is presented in the supplementary schedules.

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

## Statement of Financial Position

As at 31 December 2019

|  | Notes | 2019<br>\$        | 2018<br>\$        |
|--|-------|-------------------|-------------------|
| <b>Assets</b>                                  |       |                   |                   |
| <b>Non-current assets</b>                      |       |                   |                   |
| Plant and equipment                            | 8     | 7,128,745         | 2,552,881         |
| Right-of-use assets                            | 9     | 2,696,629         | –                 |
| Other non-financial assets                     | 10    | 600,000           | 650,000           |
| <b>Total non-current assets</b>                |       | <b>10,425,374</b> | <b>3,202,881</b>  |
| <b>Current assets</b>                          |       |                   |                   |
| Inventories                                    | 11    | 76,622            | 78,259            |
| Trade and other receivables                    | 12    | 730,536           | 919,442           |
| Other non-financial assets                     | 10    | 488,644           | 120,603           |
| Cash and cash equivalents                      | 13    | 22,853,052        | 22,852,074        |
| <b>Total current assets</b>                    |       | <b>24,148,854</b> | <b>23,970,378</b> |
| <b>Non-current liabilities</b>                 |       |                   |                   |
| Lease liabilities                              | 14    | 1,570,598         | –                 |
| Provisions                                     | 15    | 496,440           | –                 |
| <b>Total non-current liabilities</b>           |       | <b>2,067,038</b>  | <b>–</b>          |
| <b>Current liabilities</b>                     |       |                   |                   |
| Trade and other receivables                    | 16    | 1,446,437         | 780,049           |
| Other non-financial liabilities                | 17    | 3,811,783         | 1,638,309         |
| Lease liabilities                              | 14    | 956,194           | –                 |
| <b>Total current liabilities</b>               |       | <b>6,214,414</b>  | <b>2,418,358</b>  |
| <b>Net assets</b>                              |       | <b>26,292,776</b> | <b>24,754,901</b> |
| <b>The accumulated funds of the Foundation</b> |       |                   |                   |
| <b>Unrestricted funds</b>                      |       |                   |                   |
| General fund                                   | 18    | –                 | 8,912,617         |
| Local relief fund                              | 18    | –                 | 10,539,761        |
| Charity development fund                       | 18    | 20,790,128        | –                 |
| <b>Total unrestricted funds</b>                |       | <b>20,790,128</b> | <b>19,452,378</b> |
| <b>Restricted funds</b>                        |       |                   |                   |
| Tote Board Community Healthcare Fund           | 18    | 1,717             | –                 |
| Gym Tonic fund                                 | 18    | 443,506           | 211,000           |
| IngoT PCC fund                                 | 18    | 126,867           | 140,000           |
| Home Care fund                                 | 18    | 1,800,000         | 1,800,000         |
| Local building fund                            | 18    | 3,130,558         | 3,151,523         |
| <b>Total restricted funds</b>                  |       | <b>5,502,648</b>  | <b>5,302,523</b>  |
| <b>Total accumulated funds</b>                 |       | <b>26,292,776</b> | <b>24,754,901</b> |

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

## Statement of Changes in Accumulated Funds

For the Reporting Year Ended 31 December 2019

|   | 2019              | 2018       |
|---|-------------------|------------|
|   | \$                | \$         |
| <b>Balance at beginning of the year</b> | <b>24,754,901</b> | 21,605,562 |
| Net surplus for the reporting year      | <b>1,537,875</b>  | 3,149,339  |
| <b>Balance at end of the year</b>       | <b>26,292,776</b> | 24,754,901 |

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

## Statement of Cash Flows

For the Reporting Year Ended 31 December 2019

|  | 2019               | 2018               |
|--|--------------------|--------------------|
|  | \$                 | \$                 |
| <b>Cash flows from operating activities</b>                                      |                    |                    |
| Surplus for the reporting year   | 1,537,875          | 3,149,339          |
| Adjustments for:   |                    |                    |
| Depreciation of plant and equipment  | 1,003,068          | 591,666            |
| Depreciation of right of use assets  | 842,161            | –                  |
| Amortisation of deferred capital grants  | (431,311)          | (237,252)          |
| Losses on disposal of plant and equipment  | 48,334             | 59,211             |
| Gifts in kind received   | (44,934)           | (14,732)           |
| Interest income  | (345,976)          | (244,398)          |
| Interest expense   | 119,413            | –                  |
| Operating cash flow before changes in working capital                            | 2,728,630          | 3,303,834          |
| Inventories  | 1,637              | 10,515             |
| Trade and other receivables  | 172,073            | (309,983)          |
| Other non-financial assets   | (318,041)          | 4,349              |
| Trade and other payables   | 666,388            | 115,377            |
| Other non-financial liabilities  | 2,604,785          | 887,197            |
| <b>Net cash flows from operating activities</b>                                  | <b>5,855,472</b>   | <b>4,011,289</b>   |
| <b>Cash flows from investing activities</b>                                      |                    |                    |
| Purchase of plant and equipment (Note 8)   | (5,467,217)        | (1,621,466)        |
| Interest income received   | 362,809            | 177,397            |
| <b>Net cash flows used in investing activities</b>                               | <b>(5,104,408)</b> | <b>(1,444,069)</b> |
| <b>Cash flows from financing activities</b>                                      |                    |                    |
| Interest paid  | (119,413)          | –                  |
| Lease liabilities – principal portion paid                                       | (630,673)          | –                  |
| <b>Net cash flows used in investing activities</b>                               | <b>(750,086)</b>   | <b>–</b>           |
| <b>Net increase in cash and cash equivalents</b>                                 | <b>978</b>         | <b>2,567,220</b>   |
| Cash and cash equivalents, cash flow statement, beginning Balance                | 22,852,074         | 20,284,854         |
| <b>Cash and cash equivalents, cash flow statement, ending balance (Note 13A)</b> | <b>22,853,052</b>  | <b>22,852,074</b>  |

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

# Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 2019

| 2019   | Unrestricted funds |                          |                 |                  |                             | Restricted funds                     |                |                |                |                     | Sub-total | Total            |
|--|--------------------|--------------------------|-----------------|------------------|-----------------------------|--------------------------------------|----------------|----------------|----------------|---------------------|-----------|------------------|
|  | Notes              | Charity Development Fund | Designated Fund | Sub-Total        | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund |           |                  |
| <b>INCOMING RESOURCES</b>  |                    | \$                       | \$              | \$               | \$                          | \$                                   | \$             | \$             | \$             | \$                  | \$        | \$               |
| <b>Voluntary income</b>  |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |                  |
| Tax deductible donations   | 4                  | 6,485,210                | –               | 6,485,210        | –                           | –                                    | –              | –              | –              | –                   | –         | 6,485,210        |
| Tax deductible donations (Save for a good cause)                                   | 4                  | 54,733                   | –               | 54,733           | –                           | –                                    | –              | –              | –              | –                   | –         | 54,733           |
| Non-tax deductible donations   |                    | 900,669                  | –               | 900,669          | –                           | –                                    | –              | –              | –              | –                   | –         | 900,669          |
| Non-tax deductible donations (Save for a good cause)                               |                    | 466,842                  | –               | 466,842          | –                           | –                                    | –              | –              | –              | –                   | –         | 466,842          |
|  |                    | <b>7,907,454</b>         | <b>–</b>        | <b>7,907,454</b> | <b>–</b>                    | <b>–</b>                             | <b>–</b>       | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>7,907,454</b> |
| <b>Charitable income</b>   |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |                  |
| Children and youth classes   |                    | 1,653,174                | –               | 1,653,174        | –                           | –                                    | –              | –              | –              | –                   | –         | 1,653,174        |
| Continuing education center  |                    | 105,254                  | –               | 105,254          | –                           | –                                    | –              | –              | –              | –                   | –         | 105,254          |
| Sales of recycle items   |                    | 115,612                  | –               | 115,612          | –                           | –                                    | –              | –              | –              | –                   | –         | 115,612          |
| Donated assets   |                    | 44,934                   | –               | 44,934           | –                           | –                                    | –              | –              | –              | –                   | –         | 44,934           |
| Free clinics, rehabilitation, and other clinic services                            |                    | 1,928,384                | –               | 1,928,384        | –                           | –                                    | –              | –              | –              | –                   | –         | 1,928,384        |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services |                    | 651,777                  | –               | 651,777          | –                           | –                                    | –              | –              | –              | –                   | –         | 651,777          |
| Community care services  |                    | 8,598                    | –               | 8,598            | –                           | –                                    | –              | –              | –              | –                   | –         | 8,598            |
| Youth activity center  |                    | 97,764                   | –               | 97,764           | –                           | –                                    | –              | –              | –              | –                   | –         | 97,764           |
|  |                    | <b>4,605,497</b>         | <b>–</b>        | <b>4,605,497</b> | <b>–</b>                    | <b>–</b>                             | <b>–</b>       | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>4,605,497</b> |
| <b>Funds generating activities</b>   |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |                  |
| Flag Day   |                    | 92,196                   | –               | 92,196           | –                           | –                                    | –              | –              | –              | –                   | –         | 92,196           |
| Placement of donation boxes  |                    | 68,746                   | –               | 68,746           | –                           | –                                    | –              | –              | –              | –                   | –         | 68,746           |
| Musical shows  |                    | 228,050                  | –               | 228,050          | –                           | –                                    | –              | –              | –              | –                   | –         | 228,050          |
|  |                    | <b>388,992</b>           | <b>–</b>        | <b>388,992</b>   | <b>–</b>                    | <b>–</b>                             | <b>–</b>       | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>388,992</b>   |

(a) The Local Relief Fund and General Fund have been merged to become Charity Development Fund with effective from 1 January 2019.



## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 2019 (cont'd)

| 2019   | Unrestricted funds |                          |                 |                   |                             | Restricted funds                     |                |                |                |                     |                |                   |
|--|--------------------|--------------------------|-----------------|-------------------|-----------------------------|--------------------------------------|----------------|----------------|----------------|---------------------|----------------|-------------------|
|  | Notes              | Charity Development Fund | Designated Fund | Sub-Total         | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Sub-total      | Total             |
|  |                    | \$                       | \$              | \$                |                             |                                      |                |                |                | \$                  | \$             | \$                |
| <b>INCOMING RESOURCES (cont'd)</b>                       |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| <b>Others</b>  |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| Interest income  |                    | 296,738                  | -               | 296,738           | -                           | -                                    | -              | -              | -              | 49,238              | 49,238         | 345,976           |
| Sundry income  |                    | 272,759                  | -               | 272,759           | -                           | -                                    | -              | -              | -              | -                   | -              | 272,759           |
| Government grant   |                    | 66,895                   | -               | 66,895            | 368,813                     | 47,199                               | -              | -              | -              | -                   | 416,012        | 482,907           |
| Other funding  |                    | -                        | -               | -                 | -                           | -                                    | 260,000        | -              | -              | -                   | 260,000        | 260,000           |
| Amortisation of deferred capital grants                  |                    | 18,866                   | 377,952         | 396,818           | 34,493                      | -                                    | -              | -              | -              | -                   | 34,493         | 431,311           |
|  |                    | 655,258                  | 377,952         | 1,033,210         | 403,306                     | 47,199                               | 260,000        | -              | -              | 49,238              | 759,743        | 1,792,953         |
| <b>Total incoming resources</b>                          |                    | <b>13,557,201</b>        | <b>377,952</b>  | <b>13,935,153</b> | <b>403,306</b>              | <b>47,199</b>                        | <b>260,000</b> | <b>-</b>       | <b>-</b>       | <b>49,238</b>       | <b>759,743</b> | <b>14,694,896</b> |
| <b>RESOURCES EXPENDED</b>                                |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| <b>Cost of generating voluntary income: fund raising</b> |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| Save for a Good Cause                                    |                    | 5,204                    | -               | 5,204             | -                           | -                                    | -              | -              | -              | -                   | -              | 5,204             |
| Placement of donation boxes                              |                    | 1,053                    | -               | 1,053             | -                           | -                                    | -              | -              | -              | -                   | -              | 1,053             |
| Flag Day   |                    | 3,384                    | -               | 3,384             | -                           | -                                    | -              | -              | -              | -                   | -              | 3,384             |
| Musical shows  |                    | 48,934                   | -               | 48,934            | -                           | -                                    | -              | -              | -              | -                   | -              | 48,934            |
| Recycling activities                                     |                    | 136,685                  | -               | 136,685           | -                           | -                                    | -              | -              | -              | -                   | -              | 136,685           |
| Recycling activities – depreciation                      |                    | 1,186                    | -               | 1,186             | -                           | -                                    | -              | -              | -              | -                   | -              | 1,186             |
| Recycling activities – depreciation right of use assets  |                    | 85,196                   | -               | 85,196            | -                           | -                                    | -              | -              | -              | -                   | -              | 85,196            |
| Recycling activities – lease interest                    |                    | 8,051                    | -               | 8,051             | -                           | -                                    | -              | -              | -              | -                   | -              | 8,051             |
|  |                    | 289,693                  | -               | 289,693           | -                           | -                                    | -              | -              | -              | -                   | -              | 289,693           |

# Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 2019 (Cont'd)

| 2019  | Unrestricted funds |                          |                 | Restricted funds |                             |                                      |                |                |                |                     | Sub-total | Total      |
|---|--------------------|--------------------------|-----------------|------------------|-----------------------------|--------------------------------------|----------------|----------------|----------------|---------------------|-----------|------------|
|   | Notes              | Charity Development Fund | Designated Fund | Sub-Total        | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund |           |            |
|   |                    | \$                       | \$              | \$               |                             |                                      |                |                |                |                     | \$        | \$         |
| <b>RESOURCES EXPENDED (cont'd)</b>  |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |            |
| <b>Costs of charitable activities:</b>  |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |            |
| <b>Welfare services and</b>   |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |            |
| <b>homecare support expenses</b>  |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |            |
| <b>and cultural activities</b>  |                    |                          |                 |                  |                             |                                      |                |                |                |                     |           |            |
| Programme for the needy families  |                    | 1,234,883                | –               | 1,234,883        | –                           | –                                    | –              | –              | –              | –                   | –         | 1,234,883  |
| Programme for the medical treatments  |                    | 1,469,387                | –               | 1,469,387        | –                           | –                                    | –              | –              | –              | –                   | –         | 1,469,387  |
| Seed of hope programmes   |                    | 64,997                   | –               | 64,997           | –                           | –                                    | –              | –              | –              | –                   | –         | 64,997     |
| Free clinics, rehabilitation, and other clinic services   |                    | 2,523,468                | –               | 2,523,468        | –                           | –                                    | –              | –              | –              | –                   | –         | 2,523,468  |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services                |                    | 832,563                  | –               | 832,563          | –                           | –                                    | –              | –              | –              | –                   | –         | 832,563    |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services - depreciation |                    | 3,520                    | –               | 3,520            | –                           | –                                    | –              | –              | –              | –                   | –         | 3,520      |
| Depreciation  |                    | 424,055                  | 53,386          | 477,441          | 34,493                      | 89                                   | 14,709         | 13,133         | –              | –                   | 62,424    | 539,865    |
| Depreciation – right of use assets  |                    | 673,282                  | –               | 673,282          | –                           | –                                    | –              | –              | –              | –                   | –         | 673,282    |
| Lease interest expense  |                    | 81,638                   | –               | 81,638           | –                           | –                                    | –              | –              | –              | –                   | –         | 81,638     |
| Bursary scheme  |                    | 143,296                  | –               | 143,296          | –                           | –                                    | –              | –              | –              | –                   | –         | 143,296    |
| Children and youth classes  |                    | 1,532,983                | –               | 1,532,983        | –                           | –                                    | –              | –              | –              | –                   | –         | 1,532,983  |
| Continuing education center   |                    | 81,953                   | –               | 81,953           | –                           | –                                    | –              | –              | –              | –                   | –         | 81,953     |
| Community care services   |                    | 62,899                   | –               | 62,899           | 368,813                     | 45,393                               | 12,785         | –              | –              | –                   | 426,991   | 489,890    |
| Youth activity center   |                    | 342,236                  | –               | 342,236          | –                           | –                                    | –              | –              | –              | –                   | –         | 342,236    |
| Volunteer training  |                    | 16,222                   | –               | 16,222           | –                           | –                                    | –              | –              | –              | –                   | –         | 16,222     |
| Humanistic culture  |                    | 71,950                   | –               | 71,950           | –                           | –                                    | –              | –              | –              | –                   | –         | 71,950     |
|   |                    | 9,559,332                | 53,386          | 9,612,718        | 403,306                     | 45,482                               | 27,494         | 13,133         | –              | –                   | 489,415   | 10,102,133 |

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 2019 (Cont'd)

| 2019                                  | Unrestricted funds |                          |                 |                   | Restricted funds            |                                      |                |                |                |                     |                |                   |
|---------------------------------------|--------------------|--------------------------|-----------------|-------------------|-----------------------------|--------------------------------------|----------------|----------------|----------------|---------------------|----------------|-------------------|
|                                       | Notes              | Charity Development Fund | Designated Fund | Sub-Total         | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Sub-total      | Total             |
|                                       |                    | \$                       | \$              | \$                |                             |                                      |                |                |                | \$                  | \$             | \$                |
| <b>RESOURCES EXPENDED (cont'd)</b>    |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| <b><u>Administrative costs</u></b>    |                    |                          |                 |                   |                             |                                      |                |                |                |                     |                |                   |
| Depreciation                          |                    | 133,931                  | 324,566         | 458,497           | -                           | -                                    | -              | -              | -              | -                   | -              | 458,497           |
| Depreciation<br>– right of use assets |                    | 37,930                   | -               | 37,930            | -                           | -                                    | -              | -              | -              | 45,753              | 45,753         | 83,683            |
| Other social activities               |                    | 519,884                  | -               | 519,884           | -                           | -                                    | -              | -              | -              | -                   | -              | 519,884           |
| Other operating expenses              | 5                  | 1,673,407                | -               | 1,673,407         | -                           | -                                    | -              | -              | -              | -                   | -              | 1,673,407         |
| Lease interest expense                |                    | 5,274                    | -               | 5,274             | -                           | -                                    | -              | -              | -              | 24,450              | 24,450         | 29,724            |
|                                       |                    | <b>2,370,426</b>         | <b>324,566</b>  | <b>2,694,992</b>  | <b>-</b>                    | <b>-</b>                             | <b>-</b>       | <b>-</b>       | <b>-</b>       | <b>70,203</b>       | <b>70,203</b>  | <b>2,765,195</b>  |
| <b>Total resources expended</b>       |                    | <b>12,219,451</b>        | <b>377,952</b>  | <b>12,597,403</b> | <b>403,306</b>              | <b>45,482</b>                        | <b>27,494</b>  | <b>13,133</b>  | <b>-</b>       | <b>70,203</b>       | <b>559,618</b> | <b>13,157,021</b> |

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 2019

| 2018   | Unrestricted funds |              |                   |                 |           | Restricted funds |                |                |                     |           | Total     |
|--|--------------------|--------------|-------------------|-----------------|-----------|------------------|----------------|----------------|---------------------|-----------|-----------|
|  | Notes              | General Fund | Local Relief Fund | Designated Fund | Sub-Total | GYM Tonic Fund   | IngoT PCC Fund | Home Care Fund | Local Building Fund | Sub-Total |           |
|  |                    | \$           | \$                | \$              | \$        | \$               | \$             | \$             | \$                  | \$        | \$        |
| <b>INCOMING RESOURCES</b>  |                    |              |                   |                 |           |                  |                |                |                     |           |           |
| <b>Voluntary income</b>  |                    |              |                   |                 |           |                  |                |                |                     |           |           |
| Tax deductible donations   | 4                  | 2,777,496    | 4,410,273         | –               | 7,187,769 | –                | –              | –              | –                   | –         | 7,187,769 |
| Tax deductible donations (Save for a good cause)                                   | 4                  | –            | 79,058            | –               | 79,058    | –                | –              | –              | –                   | –         | 79,058    |
| Non-tax deductible donations   |                    | 341,188      | 366,898           | –               | 708,086   | –                | –              | –              | –                   | –         | 708,086   |
| Non-tax deductible donations (Save for a good cause)                               |                    | –            | 329,111           | –               | 329,111   | –                | –              | –              | –                   | –         | 329,111   |
|  |                    | 3,118,684    | 5,185,340         | –               | 8,304,024 | –                | –              | –              | –                   | –         | 8,304,024 |
| <b>Charitable income</b>   |                    |              |                   |                 |           |                  |                |                |                     |           |           |
| Children and youth classes   |                    | 1,201,766    | –                 | –               | 1,201,766 | –                | –              | –              | –                   | –         | 1,201,766 |
| Continuing education center  |                    | 68,250       | –                 | –               | 68,250    | –                | –              | –              | –                   | –         | 68,250    |
| Sales of recycle items   |                    | 150,530      | –                 | –               | 150,530   | –                | –              | –              | –                   | –         | 150,530   |
| Donated assets   |                    | 14,732       | –                 | –               | 14,732    | –                | –              | –              | –                   | –         | 14,732    |
| Free clinics, rehabilitation, and other clinic services                            |                    | –            | 1,650,671         | –               | 1,650,671 | –                | –              | –              | –                   | –         | 1,650,671 |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services |                    | –            | 388,448           | –               | 388,448   | –                | –              | –              | –                   | –         | 388,448   |
|  |                    | 1,435,278    | 2,039,119         | –               | 3,474,397 | –                | –              | –              | –                   | –         | 3,474,397 |
| <b>Funds generating activities</b>   |                    |              |                   |                 |           |                  |                |                |                     |           |           |
| Flag Day   |                    | –            | 123,463           | –               | 123,463   | –                | –              | –              | –                   | –         | 123,463   |
| Placement of donation boxes  |                    | 68,333       | –                 | –               | 68,333    | –                | –              | –              | –                   | –         | 68,333    |
|  |                    | 68,333       | 123,463           | –               | 191,796   | –                | –              | –              | –                   | –         | 191,796   |

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2019 (cont'd)

| 2018   | Notes | Unrestricted funds |                   |                 |            | Restricted funds |                |                |                     |           | Total      |
|--|-------|--------------------|-------------------|-----------------|------------|------------------|----------------|----------------|---------------------|-----------|------------|
|  |       | General Fund       | Local Relief Fund | Designated Fund | Sub-Total  | GYM Tonic Fund   | IngoT PCC Fund | Home Care Fund | Local Building Fund | Sub-total |            |
|  |       | \$                 | \$                | \$              | \$         |                  |                |                | \$                  | \$        | \$         |
| <b>INCOMING RESOURCES (cont'd)</b>                       |       |                    |                   |                 |            |                  |                |                |                     |           |            |
| <b>Others</b>  |       |                    |                   |                 |            |                  |                |                |                     |           |            |
| Interest income  |       | 78,653             | 131,342           | –               | 209,995    | –                | –              | –              | 34,403              | 34,403    | 244,398    |
| Sundry income  |       | 113,148            | 34,607            | –               | 147,755    | –                | –              | –              | –                   | –         | 147,755    |
| Government grant   |       | 35,461             | 2,122             | 286,640         | 324,223    | –                | –              | –              | –                   | –         | 324,223    |
| Other funding  |       | –                  | 809,395           | –               | 809,395    | 211,000          | 140,000        | –              | –                   | 351,000   | 1,160,395  |
| Amortisation of deferred capital grants                  |       | 40,873             | 10,102            | 186,277         | 237,252    | –                | –              | –              | –                   | –         | 237,252    |
|  |       | 268,135            | 987,568           | 472,917         | 1,728,620  | 211,000          | 140,000        | –              | 34,403              | 385,403   | 2,114,023  |
| <b>Total incoming resources</b>                          |       | 4,890,430          | 8,335,490         | 472,917         | 13,698,837 | 211,000          | 140,000        | –              | 34,403              | 385,403   | 14,084,240 |
| <b>RESOURCES EXPENDED</b>                                |       |                    |                   |                 |            |                  |                |                |                     |           |            |
| <b>Cost of generating voluntary income: fund raising</b> |       |                    |                   |                 |            |                  |                |                |                     |           |            |
| Save for a Good Cause                                    |       | –                  | 7,837             | –               | 7,837      | –                | –              | –              | –                   | –         | 7,837      |
| Placement of donation boxes                              |       | –                  | 1,000             | –               | 1,000      | –                | –              | –              | –                   | –         | 1,000      |
| Flag Day   |       | –                  | 2,320             | –               | 2,320      | –                | –              | –              | –                   | –         | 2,320      |
| Recycling activities                                     |       | 233,417            | –                 | –               | 233,417    | –                | –              | –              | –                   | –         | 233,417    |
| Recycling activities – depreciation                      |       | 245                | –                 | –               | 245        | –                | –              | –              | –                   | –         | 245        |
|  |       | 233,662            | 11,157            | –               | 244,819    | –                | –              | –              | –                   | –         | 244,819    |

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2018 (Cont'd)

| 2018  | Unrestricted funds |              |                   |                 | Restricted funds |                |                |               |                     | Total |           |
|---|--------------------|--------------|-------------------|-----------------|------------------|----------------|----------------|---------------|---------------------|-------|-----------|
|   | Notes              | General Fund | Local Relief Fund | Designated Fund | Sub-Total        | GYM Tonic Fund | IngoT PCC Fund | Hom Care Fund | Local Building Fund |       | Sub-total |
|   |                    | \$           | \$                | \$              | \$               |                |                |               | \$                  | \$    | \$        |
| <b>RESOURCES EXPENDED (cont'd)</b>  |                    |              |                   |                 |                  |                |                |               |                     |       |           |
| <b>Costs of charitable activities:</b>  |                    |              |                   |                 |                  |                |                |               |                     |       |           |
| <b>Welfare services and<br/>homecare support expenses<br/>and cultural activities</b>             |                    |              |                   |                 |                  |                |                |               |                     |       |           |
| Programme for the needy families  |                    | –            | 1,019,305         | –               | 1,019,305        | –              | –              | –             | –                   | –     | 1,019,305 |
| Programme for the medical treatments  |                    | –            | 1,490,041         | –               | 1,490,041        | –              | –              | –             | –                   | –     | 1,490,041 |
| Seed of hope programmes   |                    | –            | 105,789           | –               | 105,789          | –              | –              | –             | –                   | –     | 105,789   |
| Free clinics, rehabilitation, and other clinic services   |                    | –            | 2,393,584         | –               | 2,393,584        | –              | –              | –             | –                   | –     | 2,393,584 |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services                |                    | –            | 804,553           | –               | 804,553          | –              | –              | –             | –                   | –     | 804,553   |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services - depreciation |                    | –            | 8,320             | –               | 8,320            | –              | –              | –             | –                   | –     | 8,320     |
| Losses on disposal of plant and equipment   |                    | –            | 511               | –               | 511              | –              | –              | –             | –                   | –     | 511       |
| Depreciation  |                    | 140,988      | 129,475           | 54,470          | 324,933          | –              | –              | –             | –                   | –     | 324,933   |
| Bursary scheme  |                    | –            | –                 | 286,640         | 286,640          | –              | –              | –             | –                   | –     | 286,640   |
| Children and youth classes  |                    | 1,420,485    | –                 | –               | 1,420,485        | –              | –              | –             | –                   | –     | 1,420,485 |
| Continuing education center   |                    | 49,558       | –                 | –               | 49,558           | –              | –              | –             | –                   | –     | 49,558    |
| Medical conference  |                    | –            | 41,483            | –               | 41,826           | –              | –              | –             | –                   | –     | 41,826    |
| Anniversary exhibition  |                    | 46,155       | –                 | –               | 45,812           | –              | –              | –             | –                   | –     | 45,812    |
| Humanistic culture  |                    | 118,664      | –                 | –               | 118,664          | –              | –              | –             | –                   | –     | 118,664   |
|   |                    | 1,775,850    | 5,993,061         | 341,110         | 8,110,021        | –              | –              | –             | –                   | –     | 8,110,021 |



## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2018 (cont'd)

| 2018                               | Unrestricted funds |              |                   |                 | Restricted funds |                |                |               |                     |           |            |
|------------------------------------|--------------------|--------------|-------------------|-----------------|------------------|----------------|----------------|---------------|---------------------|-----------|------------|
|                                    | Notes              | General Fund | Local Relief Fund | Designated Fund | Sub-Total        | GYM Tonic Fund | IngoT PCC Fund | Hom Care Fund | Local Building Fund | Sub-total | Total      |
|                                    |                    | \$           | \$                | \$              | \$               |                |                |               | \$                  | \$        | \$         |
| <b>RESOURCES EXPENDED (cont'd)</b> |                    |              |                   |                 |                  |                |                |               |                     |           |            |
| <b><u>Administrative costs</u></b> |                    |              |                   |                 |                  |                |                |               |                     |           |            |
| Depreciation                       |                    | 126,361      | –                 | 131,807         | 258,168          | –              | –              | –             | –                   | –         | 258,168    |
| Other social activities            |                    | 286,535      | 181,109           | –               | 467,644          | –              | –              | –             | –                   | –         | 467,644    |
| Other operating expenses           | 5                  | 1,411,119    | 393,100           | –               | 1,804,219        | –              | –              | –             | 50,030              | 50,030    | 1,854,249  |
|                                    |                    | 1,824,015    | 574,209           | 131,807         | 2,530,031        | –              | –              | –             | 50,030              | 50,030    | 2,580,061  |
| <b>Total expended resources</b>    |                    | 3,833,527    | 6,578,427         | 472,917         | 10,884,871       | –              | –              | –             | 50,030              | 50,030    | 10,934,901 |

## Notes to the Financial Statements

31 December 2019

### 1. General

Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") is a charity registered under the Charities Act, Chapter 37 and the Societies Act, Chapter 311. The Foundation is also an approved Institution of a Public Character under the Income Tax Act, Chapter 134. The financial statements are presented in Singapore dollars.

The principal objectives of the Foundation are to promote the spirit of compassion and unselfish giving as well as peaceful and equitable love, through missions and activities of charity, medical treatment, educational development and cultural promotion to the needy.

The registered office address is 9 Elias Road, Singapore 519937. The Foundation is registered and situated in Singapore.

The financial statements were approved and authorised for issue by the directors on the date indicated in the statement by directors.

#### **Statement of compliance with financial reporting standards**

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Companies Act, Chapter 50. The Foundation is also subject to the provisions of the Charities Act, Chapter 37.

#### **Accounting convention**

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

#### **Basis of preparation of the financial statements**

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Foundation's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

## **2. Significant accounting policies and other explanatory information**

### **2A. Significant accounting policies**

#### **Income and revenue recognition**

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(i) *Donations and corporate cash sponsorships*

Income from donations and corporate cash sponsorships are accounted for when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the fund has unconditional entitlement.

(ii) *Fund raising*

Income from special event is recognised when the event takes place.

(iii) *Sales of goods*

Revenue is recognised at a point in time when the performance obligation is satisfied by transferring a promised good or service to the customer. Control of the goods is transferred to the customer, generally on delivery of the goods (in this respect, incoterms are considered).

(iv) *Revenue from rendering services*

Revenue from service orders and term projects is recognised when the entity satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs or for services that are not significant transactions revenue is recognised as the services are provided.

(v) *Other revenue*

Interest revenue is recognised on a time-proportion basis using the effective interest rate.

## **2. Significant accounting policies and other explanatory information**

### **2A. Significant accounting policies (cont'd)**

#### **Gifts in kind**

A gift in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

#### **Government grants**

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

#### **Employee benefits**

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

#### **Income tax**

As a charity, the Foundation is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects. No tax charges have arisen for the Foundation during the reporting year.

#### **Foreign currency transactions**

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation is in the functional currency.

## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Plant and equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

|                        |   |
|------------------------|---|
| Renovations            | - 20 %                                    |
| Office equipment       | - 20 % - 33 <sup>1</sup> / <sub>3</sub> % |
| Furniture and fittings | - 10 %                                    |
| Motor vehicles         | - 16 <sup>2</sup> / <sub>3</sub> %        |

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost 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. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

#### Right-of-use assets

The right-of-use asset are accounted and presented as if they were owned such as property plant and equipment. The annual rates of depreciation are as follows:

|                              |   |
|------------------------------|---|
| Office premises              | - Over the terms of lease that are from 33% to 50%. |
| Office equipment             | - Over the terms of lease that are 20%.             |
| Leasehold land and buildings | - Over the terms of lease that is 7%.               |

## **2. Significant accounting policies and other explanatory information (cont'd)**

### **2A. Significant accounting policies (cont'd)**

#### **Leases of lessee**

A lease is a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. A right-of-use asset is capitalised in the statement of financial position, measured at the present value of the unavoidable future lease payments to be made over the lease term. A liability corresponding to the capitalised lease is also recognised, adjusted for lease prepayments, lease incentives received, initial direct costs incurred and an estimate of any future restoration, removal or dismantling costs. The right-of-use asset is depreciated over the earlier of the end of the useful life of the right-of-use asset or the end of the lease term and an interest expense on the recognised lease liability (included in finance costs). For short-term leases of 12 months or less and leases of low-value assets (such as personal computers and small office equipment) where an accounting policy choice exists under the lease standard, the lease payments are expensed to profit or loss as incurred on a straight line basis over the remaining lease term a right-of-use asset is recognised. For these leases, a right-of-use asset is recognised.

#### **Leases of lessor**

As a lessor the reporting entity classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset and it is presented in its statement of financial position as a receivable at an amount equal to the net investment in the lease. For a finance lease the finance income is recognised over the lease term, based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Lease receipts from operating leases are recognised as income on either a straight-line basis or another systematic basis over the term of the lease.

#### **Impairment of non-financial assets**

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration.

When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.



## 2. Significant accounting policies and other explanatory information (cont'd)

### 2A. Significant accounting policies (cont'd)

#### Inventories

Inventories are measured at the lower of cost (weighted average method) and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. A write down on cost is made where the cost is not recoverable or if the selling prices have declined. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition.

#### Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expired. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.
4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

## **2. Significant accounting policies and other explanatory information (cont'd)**

### **2A. Significant accounting policies (cont'd)**

#### **Financial instruments (cont'd)**

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

#### **Cash and cash equivalents**

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand, if any, that form an integral part of cash management.

#### **Fair value measurement**

The fair value 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. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

## **2. Significant accounting policies and other explanatory information (cont'd)**

### **2A. Significant accounting policies (cont'd)**

#### **Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expenses unless impractical to do so.

### **2B. Other explanatory information**

#### **Provisions**

A liability or provision is recognised when there is 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 a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pretax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

### **2C. Critical judgements, assumptions and estimation uncertainties**

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

## **3. Related party relationships and transactions**

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the board members and key management of the Foundation. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

The board of directors, or people connected with them, have not received remuneration, or other benefits, from the Foundation for which they are responsible, or from institutions connected with the Foundation.

### 3. Related party relationships and transactions (cont'd)

There is no claim by the directors for services provided to the Foundation, either by reimbursement to the directors or by providing the directors with an allowance or by direct payment to a third party.

All directors, chairman of sub-committees and staff members of the Foundation are required to read and understand the conflict of interest policy in place and make full disclosure of interests, relationships and holding that could potentially result in conflict of interests. When a conflict of interest situation arises, the members or staff shall abstain from participating in the discussion, decision making and voting on the matter.

There are no paid staff who are close members of the family of the board of directors, and whose remuneration each exceeds \$50,000 during the year.

#### 3A. Related party transactions:

There are transactions and arrangements between the reporting entity and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Significant related party transactions:

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following:

|   | Related parties  |          |
|---|------------------|----------|
|   | 2019             | 2018     |
|   | \$               | \$       |
| Purchases of goods                                    | <b>23,192</b>    | 32,759   |
| Rental and related expenses                           | <b>201,965</b>   | 212,129  |
| Rental income   | <b>(22,368)</b>  | (24,000) |
| Partner Vendor Fees, Spaces Usage & Utilities Charges | <b>(44,617)</b>  | -        |
| Payment on behalf                                     | <b>3,317</b>     | -        |
| Management fees                                       | <b>(135,184)</b> | (24,000) |

The related parties have one or more common directors or management members.

#### 3B. Key management compensation:

Key management personnel are the chief executive officer and the directors of the Foundation. They did not receive any compensation from the foundation during the reporting year.

#### 4. Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 (2018: 2.5) times tax deductions for the donations made to the Foundation during FY2019. The Foundation's Institution of a Public Character ("IPC") for general donations is for the period from 1 March 2017 to 28 February 2019. The status has been renewed for the period from 1 March 2019 to 28 February 2022

|  | <b>2019</b>      | 2018      |
|--|------------------|-----------|
|  | <b>\$</b>        | \$        |
| Tax-exempt receipts issued for donations collected | <b>6,539,943</b> | 7,266,827 |

#### 5. Other operating expenses

The major and other components include the following:

|   | <b>2019</b>      | 2018      |
|---|------------------|-----------|
|   | <b>\$</b>        | \$        |
| Audit fees paid to independent auditors | <b>15,537</b>    | 19,750    |
| Rental expenses                         | <b>21,893</b>    | 110,287   |
| Employee benefit expenses (Note 6)      | <b>1,303,355</b> | 1,124,524 |
| Utilities                               | <b>41,633</b>    | 37,529    |

## 6. Employee benefits expense

|  | 2019             | 2018      |
|--|------------------|-----------|
|  | \$               | \$        |
| Short term employee benefits expense       | <b>4,875,574</b> | 3,870,431 |
| Contributions to defined contribution plan | <b>501,895</b>   | 416,910   |
| Total employee benefits expense            | <b>5,377,469</b> | 4,287,341 |

The employee benefits expense is presented in the Statement of Financial Activities as follows:

|                                 | 2019             | 2018      |
|---------------------------------|------------------|-----------|
|                                 | \$               | \$        |
| Other operating expenses        | <b>1,303,355</b> | 1,124,524 |
| Other social activities         | <b>515,258</b>   | 434,405   |
| Charitable activities           | <b>3,233,276</b> | 2,658,621 |
| Fund generating activities      | <b>72,071</b>    | 69,791    |
| Restricted funds                | <b>253,509</b>   | -         |
| Total employee benefits expense | <b>5,377,469</b> | 4,287,341 |

## 7. Income tax

As a registered charity, the Foundation is exempted from tax on income and gain falling within section 13(1) (zm) of the Singapore Income Tax Act to the extent that these are applied to its charitable objects. Therefore, no provision for income tax has been made in the financial statements.

## 8. Plant and equipment

|                                 | Renovations | Office<br>Equipment | Furniture<br>and fittings | Motor<br>vehicles | Construction<br>in Progress | Total      |
|---------------------------------|-------------|---------------------|---------------------------|-------------------|-----------------------------|------------|
|                                 | \$          | \$                  | \$                        | \$                | \$                          | \$         |
| <b>Cost</b>                     |             |                     |                           |                   |                             |            |
| At 1 January 2018               | 1,802,464   | 1,810,015           | 581,394                   | 196,030           | 77,425                      | 4,467,328  |
| Additions (Note A)              | 1,121,450   | 298,343             | 75,240                    | 14,094            | 127,071                     | 1,636,198  |
| Reclassification                | –           | 6,500               | –                         | –                 | (6,500)                     | –          |
| Disposals                       | –           | (51,132)            | (2,875)                   | –                 | (58,700)                    | (112,707)  |
| At 31 December 2018             | 2,923,914   | 2,063,726           | 653,759                   | 210,124           | 139,296                     | 5,990,819  |
| Additions (Note A)              | 4,314,811   | 1,207,660           | 12,150                    | 67,625            | 25,020                      | 5,627,266  |
| Reclassification                | –           | 51,000              | –                         | –                 | (51,000)                    | –          |
| Disposals                       | –           | (59,049)            | –                         | (41,811)          | (31,950)                    | (132,810)  |
| At 31 December 2019             | 7,238,725   | 3,263,337           | 665,909                   | 235,938           | 81,366                      | 11,485,275 |
| <b>Accumulated Depreciation</b> |             |                     |                           |                   |                             |            |
| At 1 January 2018               | 1,194,511   | 1,096,694           | 475,808                   | 132,755           | –                           | 2,899,768  |
| Depreciation for the year       | 277,056     | 267,369             | 24,518                    | 22,723            | –                           | 591,666    |
| Disposals                       | –           | (51,121)            | (2,375)                   | –                 | –                           | (53,496)   |
| At 31 December 2018             | 1,471,567   | 1,312,942           | 497,951                   | 155,478           | –                           | 3,437,938  |
| Depreciation for the year       | 587,614     | 361,815             | 28,897                    | 24,742            | –                           | 1,003,068  |
| Disposals                       | –           | (58,832)            | –                         | (25,644)          | –                           | (84,476)   |
| At 31 December 2019             | 2,059,181   | 1,615,925           | 526,848                   | 154,576           | –                           | 4,356,530  |
| <b>Carrying value:</b>          |             |                     |                           |                   |                             |            |
| At 1 January 2018               | 607,953     | 713,321             | 105,586                   | 63,275            | 77,425                      | 1,567,560  |
| At 31 December 2018             | 1,452,347   | 750,784             | 155,808                   | 54,646            | 139,296                     | 2,552,881  |
| At 31 December 2019             | 5,179,544   | 1,647,412           | 139,061                   | 81,362            | 81,366                      | 7,128,745  |

Note A:

During the current reporting year, the Foundation received total donated assets (gift in kind) amounting to \$44,934 (2018: \$14,732). These donated assets have been capitalised as part of plant and equipment.

Included within the cost of renovation is a provision for reinstatement costs of \$115,115 (2018: Nil).



## 8. Plant and equipment (cont'd)

Fully depreciated plant and equipment still in use had an initial cost of \$2,632,473 (2018: \$2,150,704).

The depreciation expense is presented in the Statement of Financial Activities as follows:

|   | <b>2019</b>      | 2018    |
|---|------------------|---------|
|   | <b>\$</b>        | \$      |
| Fund raising                                    | <b>1,186</b>     | 245     |
| Administrative costs (Other operating expenses) | <b>458,497</b>   | 258,168 |
| Charitable activities                           | <b>543,385</b>   | 333,253 |
| Total depreciation expense                      | <b>1,003,068</b> | 591,666 |

## 9. Right-of-use assets

The right-of-use assets in the statement of financial position are as follows:

|   | <b>Leasehold<br/>land and<br/>buildings</b> | <b>Office<br/>premises</b> | <b>Office<br/>equipment</b> | <b>Total</b> |
|---|---|----------------------------|-----------------------------|--------------|
| <b>Cost:</b>                              |   | <b>\$</b>                  | <b>\$</b>                   | <b>\$</b>    |
| At 1 January 2019 on adoption of SFRS 116 | 640,537                                     | 1,034,260                  | 65,300                      | 1,740,097    |
| Additions                                 | –   | 1,688,652                  | 110,041                     | 1,798,693    |
| At 31 December 2019                       | 640,537                                     | 2,722,912                  | 175,341                     | 3,538,790    |
| <b>Accumulated Depreciation:</b>          |   |                            |                             |              |
| At 1 January 2019 on adoption of SFRS 116 | –   | –                          | –                           | –            |
| Depreciation for the year                 | 45,753                                      | 775,541                    | 20,867                      | 842,161      |
| At 31 December 2019                       | 45,753                                      | 775,541                    | 20,867                      | 842,161      |
| <b>Carrying value:</b>                    |   |                            |                             |              |
| At 1 January 2019                         | 640,537                                     | 1,034,260                  | 65,300                      | 1,740,097    |
| At 31 December 2019                       | 594,784                                     | 1,947,371                  | 154,474                     | 2,696,629    |

Included within the cost of right of use asset-premises is a provision for reinstatement costs of \$381,325 (2018: Nil).

The depreciation expense is presented in the Statement of Financial Activities as follows:

|   | <b>2019</b>    | 2018 |
|---|----------------|------|
|   | <b>\$</b>      | \$   |
| Fund raising                                    | <b>85,196</b>  | –    |
| Administrative costs (Other operating expenses) | <b>83,683</b>  | –    |
| Charitable activities                           | <b>673,282</b> | –    |
| Total depreciation expense                      | <b>842,161</b> | –    |

## 9. Right-of-use assets (cont'd)

Other information about the leasing activities relating to the right-of-use assets are summarised as follows:

|                               | <b>Leasehold<br/>land and<br/>buildings</b> | <b>Office<br/>premises</b> | <b>Office<br/>equipment</b> | <b>Total</b> |
|-------------------------------|---|----------------------------|-----------------------------|--------------|
| Number of right-of-use assets | 1   | 6                          | 14                          | 21           |
| Remaining term - range        | 15 years                                    | 2 to 5 years               | 4 to 5 years                | –            |
| Remaining term - average      | 15 years                                    | 2.50 years                 | 4.80 years                  | –            |

The leases are for leasehold land and buildings, office premises and office equipment.

There are restrictions or covenants imposed by the leases to sublet the leasehold land and buildings, office premises and office equipment to another party. The right-of-use asset can only be used by the lessee. Unless permitted by the owner, the lease prohibits from selling or pledging the underlying leased assets as security. Typically the leases are either noncancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. For leases over properties the leases require those properties in a good state of repair and return the properties in their original condition at the end of the lease. Insurance and maintenance fees on right-of-use assets are usually required under the lease contracts.

Management has elected to measure right-of-use assets at the amount of the lease liability on adoption (adjusted for any lease prepayments or accrued lease expenses, onerous lease provisions and leased assets which have subsequently been sub-leased).

## 10. Other non-financial assets

|   | <b>2019</b>      | 2018    |
|---|------------------|---------|
|   | <b>\$</b>        | \$      |
| Deposits to secure services – outside parties | <b>255,483</b>   | 39,029  |
| Deposits to secure services – related party   | <b>23,690</b>    | 23,690  |
| Prepayments                                   | <b>159,471</b>   | 7,884   |
| Prepayments – Local Building Fund (Note 10A)  | <b>650,000</b>   | 700,000 |
|   | <b>1,088,644</b> | 770,603 |
| <b>Presented as:</b>                          |                  |         |
| Other assets, current                         | <b>488,644</b>   | 120,603 |
| Other assets, non-current                     | <b>600,000</b>   | 650,000 |
|   | <b>1,088,644</b> | 770,603 |

## 10. Other non-financial assets (cont'd)

### 10A. Prepayments – Local Building Fund

This is relating to the utilisation of Local Building Fund for the construction of main administrative building located at 9 Elias Road Singapore 519937, which is currently occupied by the Foundation.

The amount is a prepayment on a right-of-use-asset. The analysis of the amount is as follows:

|  | 2019               | 2018        |
|--|--------------------|-------------|
|  | \$                 | \$          |
| <b>Cost:</b>   |                    |             |
| Cost of building   | <b>5,003,258</b>   | 5,003,258   |
| Amount paid by Tzu-Chi Taiwan                              | <b>(3,852,545)</b> | (3,852,545) |
| Amount funded by local building fund                       | <b>1,150,713</b>   | 1,150,713   |
| <b>Recovering via rental expense:</b>                      |                    |             |
| At beginning of the reporting year                         | <b>(450,713)</b>   | (400,713)   |
| Amortisation - rental offsetting during the reporting year | <b>(50,000)</b>    | (50,000)    |
| At the end of the reporting year                           | <b>(500,713)</b>   | (450,713)   |
| Prepayment as at the end of the reporting year             | <b>650,000</b>     | 700,000     |

Prior to 2007, the Foundation had raised funds from local public donations and contribution from a related party, Buddhist Compassion Relief Tzu-Chi Foundation, registered and incorporated in Taiwan (the "Tzu-Chi Taiwan") to construct the aforesaid building. The building was built on a piece of land that was leased by Tzu-Chi Taiwan from the Singapore Land Authority for a period of 30 years effective from 26 January 1998.

The Foundation had partially paid \$1,150,713 for the construction costs on behalf of Tzu-Chi Taiwan. The amount has been recorded in the statement of financial position as a prepayment. Upon completion of the construction of the building, the Foundation has entered into an agreement with Tzu-Chi Taiwan to lease the land for 30 years at a rent of \$12 per year. In 2010, Tzu-Chi Taiwan and the Foundation have further entered into a lease agreement to lease the building for 23 years effective from 1 January 2010 at a rent of \$50,000 per year. The lease agreement further stipulates that the rental for the lease will be offset against the prepayment. Consequently, the Foundation had in 2010 commenced the amortisation of the prepayment over the lease period.

## 11. Inventories

|                     | 2019          | 2018   |
|---------------------|---------------|--------|
|                     | \$            | \$     |
| Inventories at cost | <b>76,622</b> | 78,259 |

There are no inventories pledged as security for liabilities.

## 12. Trade and other receivables

|                                  | <b>2019</b>    | 2018    |
|----------------------------------|----------------|---------|
|                                  | <b>\$</b>      | \$      |
| Outside parties                  | <b>292,655</b> | 359,314 |
| Related parties                  | <b>46,940</b>  | –       |
| Clinic patients receivables      | <b>48,548</b>  | 57,567  |
| Government subsidies receivables | <b>342,393</b> | 502,561 |
|                                  | <b>730,536</b> | 919,442 |

The trade and other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The non-trade receivables are normally with no fixed terms and therefore there is no maturity. These receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk. No loss allowance is necessary.

## 13. Cash and cash equivalents

|                       | <b>2019</b>       | 2018       |
|-----------------------|-------------------|------------|
|                       | <b>\$</b>         | \$         |
| Not restricted in use | <b>22,853,052</b> | 22,852,074 |

The rate of interest for the cash on interest earning balances was between 1.88% and 1.97% (2018: 1.30% and 1.88%) per annum.

## 14. Lease liabilities

|                                | <b>2019</b>      | 2018 |
|--------------------------------|------------------|------|
|                                | <b>\$</b>        | \$   |
| Lease liabilities, Current     | <b>956,194</b>   | –    |
| Lease liabilities, non-current | <b>1,570,598</b> | –    |
|                                | <b>2,526,792</b> | –    |

Movements of lease liabilities for the reporting year are as follows:

|  | <b>2019</b>      |
|--|------------------|
|  | <b>\$</b>        |
| Total lease liabilities recognised at 1 January 2019 on adoption of FRS116 | 1,604,347        |
| Additions  | 1,553,118        |
| Accretion of interest  | 119,413          |
| Lease payments – principal portion paid                                    | (630,673)        |
| Interest paid  | (119,413)        |
| Total lease liabilities at end of reporting year                           | <b>2,526,792</b> |

The new standard on leases has been applied using the modified retrospective transition approach. Therefore no comparative amounts for the year ended 31 December 2019 are presented.

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 9.

Only variable lease payments that depend on an index or a rate; payments that vary to reflect changes in market rental rates are included in the measurement of the lease liability. Such variable amounts that are unpaid at the commencement date are included in the measurement of lease liability. Variable lease payments would also include extension options and termination options; residual value guarantees; and leases not yet commenced to which the lessee is committed. The variable lease payments based on revenue are recognised in profit or loss in the year in which the condition that triggers those payments occurs.

On transition to the new standard on leases the incremental borrowing rate applied to lease liabilities recognised was 5.00% per year. The finance lease, the right-of-use asset and lease liability before the date of initial application are measured at the same amounts as under the new standard.

Reconciliation of lease commitments and lease liability at the date of initial application:

|   | <b>2019</b>      |
|---|------------------|
|   | <b>\$</b>        |
| Operating lease commitments as at 31 December 2018        | 1,961,833        |
| Relief option for short-term leases                       | (49,899)         |
| Others  | (31,063)         |
| Subtotal - Operating lease liabilities before discounting | 1,880,871        |
| Discounted using incremental borrowing rate               | (276,524)        |
| Total lease liabilities recognised as at 1 January 2019   | <b>1,604,347</b> |

#### 14. Lease liabilities (cont'd)

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

|  | <b>Minimum<br/>payments</b> | <b>Finance<br/>charges</b> | <b>Present<br/>value</b> |
|--|-----------------------------|----------------------------|--------------------------|
| <b>2019</b>                            | <b>\$</b>                   | <b>\$</b>                  | <b>\$</b>                |
| <b>Minimum lease payments payable:</b> |                             |                            |                          |
| Not later than one year                | 1,056,417                   | 100,223                    | 956,194                  |
| Between 1 and 3 years                  | 1,286,294                   | 97,285                     | 1,189,009                |
| Between 3 and 5 years                  | 118,612                     | 33,051                     | 85,561                   |
| More than 5 years                      | 350,000                     | 53,972                     | 296,028                  |
| Total                                  | <u>2,811,323</u>            | <u>284,531</u>             | <u>2,526,792</u>         |

|  |                         |
|--|-------------------------|
|  | <b>2019</b>             |
|  | <b>\$</b>               |
| Net book value of rights-of-use assets under lease liabilities | <u><u>2,696,629</u></u> |

Total cash outflows for leases of the group for the year ended 31 December 2019 are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

Apart from the disclosures made in other notes to the financial statements, amounts relating to leases include the following:

|   |                      |
|---|----------------------|
|   | <b>2019</b>          |
|   | <b>\$</b>            |
| Expense relating to short-term leases and leases of low-value assets included in other losses | <u>156,805</u>       |
| Total commitments on short-term leases at year end date                                       | <u><u>32,306</u></u> |

## 15. Provisions, non-current

|   | 2019           | 2018 |
|---|----------------|------|
|   | \$             | \$   |
| Provision for dismantling and removing (Note 15A) | <b>496,440</b> | –    |

### 15A. Provision for dismantling and removing

|   | 2019           | 2018 |
|---|----------------|------|
|   | \$             | \$   |
| Provision for dismantling and removing the item and restoring the site relating to property, plant and equipment: |                |      |
| Movements in above provision:   |                |      |
| At beginning of the year  | –              | –    |
| Additions   | <b>496,440</b> | –    |
| At end of the year  | <b>496,440</b> | –    |

The provision is based on the present value of costs to be incurred to remove leasehold improvements from leased property. The estimate is based on quotations from external contractors. The unexpired terms range from 3 years to 5 years. The unwinding of discount is not significant.

## 16. Trade and other payables

|   | 2019             | 2018    |
|---|------------------|---------|
|   | \$               | \$      |
| <b>Trade payables:</b>                  |                  |         |
| Outside parties and accrued liabilities | <b>532,063</b>   | 298,887 |
| Related parties (Note 3)                | <b>10,601</b>    | 2,790   |
| Sub-total                               | <b>542,664</b>   | 301,677 |
| <b>Other payables:</b>                  |                  |         |
| Outside parties                         | <b>903,773</b>   | 478,372 |
| Sub-total                               | <b>903,773</b>   | 478,372 |
| Total trade and other payables          | <b>1,446,437</b> | 780,049 |

## 17. Other non-financial liabilities

|   | 2019             | 2018             |
|---|------------------|------------------|
|   | \$               | \$               |
| Deferred capital grants (Note 17A)          | 1,719,524        | 1,540,474        |
| Deferred government grant income (Note 17B) | 2,005,371        | 20,672           |
| Cash collected in advance for courses       | 86,888           | 77,163           |
|   | <b>3,811,783</b> | <b>1,638,309</b> |

### 17A. Deferred capital grants:

|  | 2019             | 2018             |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>At cost:</b>  |                  |                  |
| Balance at beginning of the year   | 2,174,943        | 1,156,221        |
| Purchase of plant and equipment -<br>Transferred from deferred government grant received | 610,361          | 1,018,722        |
| Balance at end of the year   | <b>2,785,304</b> | <b>2,174,943</b> |
| <b>Accumulated amortisation:</b>   |                  |                  |
| Balance at beginning of the year   | 634,469          | 397,217          |
| Amortisation for the year  | 431,311          | 237,252          |
| Balance at end of the year   | <b>1,065,780</b> | <b>634,469</b>   |
| <b>Carrying value:</b>   |                  |                  |
| Balance at beginning of the year   | 1,540,474        | 759,004          |
| Balance at end of the year   | <b>1,719,524</b> | <b>1,540,474</b> |

### 17B. Deferred government grant income

|   | General<br>Fund | CareNShare  | Community<br>Silver Trus | Total       |
|---|-----------------|-------------|--------------------------|-------------|
|   |                 | \$          | \$                       | \$          |
| At 1 January 2018                           | 20,672          | 145,362     | -                        | 166,034     |
| Add: Fund received                          | -               | 870,000     | -                        | 870,000     |
|   | 20,672          | 1,015,362   | -                        | 1,036,034   |
| Less: Expenditure incurred                  | -               | (292,000)   | -                        | (292,000)   |
| Less: Transferred to deferred capital grant | -               | (1,018,722) | -                        | (1,018,722) |
| Add: Refunds of bursary from student        | -               | 5,360       | -                        | 5,360       |
| Add: Accrued grant income received          | -               | 290,000     | -                        | 290,000     |
| At 31 December 2018                         | 20,672          | -           | -                        | 20,672      |
| Add: Fund received                          | -               | -           | 2,963,873                | 2,963,873   |
|   | 20,672          | -           | 2,963,873                | 2,984,545   |
| Less: Expenditure incurred                  | -               | -           | (368,813)                | (368,813)   |
| Less: Transferred to deferred capital grant | -               | -           | (610,361)                | (610,361)   |
| At 31 December 2019                         | 20,672          | -           | 1,984,699                | 2,005,371   |



## 18. Accumulated funds

|  | 2019              | 2018       |
|--|-------------------|------------|
|  | \$                | \$         |
| <b>Unrestricted funds:</b>   |                   |            |
| General fund   | –                 | 8,912,617  |
| Local relief fund  | –                 | 10,539,761 |
| Charity development fund   | <b>20,790,128</b> | –          |
| Total unrestricted funds   | <b>20,790,128</b> | 19,452,378 |
| <b>Restricted funds:</b>   |                   |            |
| Tote Board Community Healthcare fund                                 | <b>1,717</b>      | –          |
| Gym Tonic Fund   | <b>443,506</b>    | 211,000    |
| IngoT PCC Fund   | <b>126,867</b>    | 140,000    |
| Home Care Fund   | <b>1,800,000</b>  | 1,800,000  |
| Local Building Fund  | <b>3,130,558</b>  | 3,151,523  |
| Total restricted funds   | <b>5,502,648</b>  | 5,302,523  |
| Total funds  | <b>26,292,776</b> | 24,754,901 |
| Ratio of unrestricted funds to annual operating expenditure (times)* | <b>1.65</b>       | 1.79       |

\* Annual Operating Expenditure represents total resources expended under unrestricted funds.

- (i) The two unrestricted funds (i.e. Local Relief Fund and General Fund) were merged into Charity Development Fund effective from 1<sup>st</sup> January 2019, with the objective of enhancing the efficiency and effectiveness of our fund management and operations. The Charity Development Fund is raised from the donations (both tax deductible and non-tax deductible) received from the public. This fund is used to support and benefit the local communities:
  - (a) Local charity programmes, such as emergency/long term aid, healthcare and Educational assistance to needy individuals and families;
  - (b) Free medical services for the underprivileged community;
  - (c) Promotion of humanistic culture and education;
  - (d) Expenses incurred in furtherance of the Foundation's missions and objectives.
- (ii) Tote Board Community Healthcare Fund co-fund with Community Silver Trust on the implementation of the Community Care Pilot project at Bukit Batok, to help seniors age in place and anchor the future Community Care System that is population-based, proactive and integrated. The Foundation will build linkages with partners in the Bukit Batok region, with particular emphasis on reducing the fragmentation arising from service providers operating in the same region and to build a community of care ecosystem.
- (iii) Gym Tonic Fund is granted to the Foundation with objective to support the senior-friendly strength-training programme that reverses frailty to community-dwelling seniors. The programme includes providing advanced gym equipment and software to improve the functional abilities of these community-dwelling seniors.
- (iv) IngoT Person-Centered Care ("PCC") Fund is donated to the Foundation with objective to support the subsidized services at SEEN Centres, Day Rehabilitation Centre (DRC), and Home Care (HC). It aims to de-medicalise care and increase collaboration, coordination and connectivity among disparate care providers, professionals and family caregivers. It is supported with a cloud-based system to empower care professionals to know their facilities users better, and spot physical or psychosocial danger signs.

## 18. Accumulated funds (cont'd)

- (v) In 2018, the Foundation has re-designated \$1.8 million from the local relief fund to the restricted Home Care Fund. Home Care Fund is set up for the purpose of home care programme. The Foundation has also applied to the Community Silver Trust for a matching grant.
- (vi) Local Building Fund is for future maintenance and improvements of the building premises occupied by the Foundation.
- (vii) The Designated Fund is donation fund relating to donation received for specific purposes.

The accumulated funds of the Foundation provide financial stability and the means for the development of the Foundation's activities. The Foundation intends to maintain the funds at a level sufficient for its operating needs. The board members review the level of funds regularly for the Foundation's continuing obligations.

## 19. Columnar presentation of statement of financial position

Majority of the assets and liabilities are attributable to the Charity Development Fund (2018: General and Local Relief Funds), Toteboard Community Healthcare Fund, The Gym Tonic Fund, IngoT PCC Fund, Home Care Fund and Local Building Fund are represented mainly by cash. Accordingly the Foundation did not adopt a columnar presentation of its assets, liabilities and funds in the Statement of Financial Position as it was not meaningful.

## 20. Capital commitments

Estimated amounts committed at the end of the reporting year for future capital expenditure but not recognised in the financial statements are as follows:

|  | <b>2019</b>    | 2018   |
|--|----------------|--------|
|  | <b>\$</b>      | \$     |
| Commitments to purchase of plant and equipment | <b>337,061</b> | 87,970 |

## 21. Financial instruments: information on financial risks

### 21A. Categories of financial assets and liabilities

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

|   | 2019              | 2018       |
|---|-------------------|------------|
|   | \$                | \$         |
| <b>Financial assets:</b>                |                   |            |
| Financial assets at amortised cost      | <b>23,583,588</b> | 23,771,516 |
| At end of the year                      | <b>23,583,588</b> | 23,771,516 |
| <b>Financial liabilities:</b>           |                   |            |
| Financial liabilities at amortised cost | <b>3,973,229</b>  | 780,049    |
| At end of the year                      | <b>3,973,229</b>  | 780,049    |

Further quantitative disclosures are included throughout these financial statements.

### 21B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

### 21C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

**21. Financial instruments: information on financial risks (cont'd)**

**21D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired. For credit risk on other receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 13 discloses the maturity of the cash and cash equivalents balances. Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

**21E. Liquidity risk– financial liabilities maturity analysis**

All liabilities are due within a year except as disclosed in Note 14.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

**21F. Interest rate risk**

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The following table analyses the breakdown of the significant financial instruments by type of interest rate:

|                   | <b>2019</b>       | 2018       |
|-------------------|-------------------|------------|
|                   | <b>\$</b>         | \$         |
| Financial assets: |                   |            |
| Fixed rates       | <b>16,782,867</b> | 18,331,663 |

Sensitivity analysis: The effect on surplus is insignificant.

## 21. Financial instruments: information on financial risks (cont'd)

### 21F. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency, ie in a currency other than the functional currency in which they are measured. For the purpose of this financial reporting standard on financial instruments: disclosures, currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency.

There is insignificant exposure to foreign currency risk as part of its normal business.

## 22. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the company are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

| <b>FRS No.</b> | <b>Title</b>  |
|----------------|---|
| FRS 116        | Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards) |

Leases:

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessee almost all leases are brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. Thus, the entity has recognised a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. The amount by which each financial statement line item is impacted (debits / (credits)) in the current reporting year by the application of the new standard on leases are disclosed in the notes 9 and 14 to the financial statements. The reporting entity elected to apply the modified retrospective approach for new standard on leases. Under the modified retrospective approach the comparative information is not restated and therefore there is no presentation of a third column for the statement of financial position.

### 23. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the company for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the company's financial statements in the period of initial application.

| <b>FRS No.</b> | <b>Title</b>  | <b>Effective date for periods beginning on or after</b> |
|----------------|---|---|
| FRS 1 and 8    | The Conceptual Framework for Financial Reporting<br>Definition of Material – Amendments to SFRS 1 and 8 | 1 January 2020  |
| FRS 116        | Amendment to FRS 116: COVID-19 Related Rent Concessions   | 1 June 2020   |

### 24. Events after the end of the reporting year

The Covid-19 pandemic and the aftermath of the pandemic has caused and will continue to cause disruptions for the foreseeable future to and create uncertainty surrounding the reporting entity's business, including affecting its relationships with its existing and future customers, beneficiaries, suppliers and employees, which could have an adverse effect on its business, financial results and operations. There is significant uncertainty around the medium to long term impact of Covid-19. Economic forecasts are continually changing, government supports for businesses are evolving and assets held by other entities may have material uncertainties and / or disclaimers regarding the impact of Covid-19. These uncertainties give rise to difficulties in making an accurate assessment by management of the future impacts on the reporting entity. Management will continue to closely monitor the further economic development and its impact. It is however reasonably possible that Covid-19 pandemic will have an adverse impact on the reporting entity's revenues and results for the next reporting year, the extent of which will depend on how long the aftermath of the pandemic lasts.

Unique Entity Number: S93SS0148C

Registered Address: 9 Elias Road Singapore 519937

Sector Administrator: Ministry of Social and Family Development (MSF)

Bankers: UOB, FCB, OCBC, CIMB and BOS

Auditor: RSM Chio Lim LLP





慈濟基金會(新加坡)  
Tzu Chi Foundation (Singapore)

9 Elias Road, Singapore 519937 • Tel: 65829958 • Fax: 65829952  
Email: [info@tzuchi.org.sg](mailto:info@tzuchi.org.sg) • [www.tzuchi.org.sg](http://www.tzuchi.org.sg)