

2018  
Tzu Chi Singapore  
Annual Report

Spread The Seeds  
of Love across  
Singapore with  
Good Faith  
以誠相伴 愛洒獅城

# Contents

---

## **About us**

|   |    |
|---|----|
| Our Founder                                 | 2  |
| The Founding of Tzu Chi                     | 3  |
| Vision, Mission, and Values                 |    |
| Chairman's Message                          | 4  |
| CEO's Message                               | 6  |
| Board of Directors and Management Committee | 10 |
| Organisational Structure                    | 12 |

## **Tzu Chi Singapore at a Glance**

|                        |    |
|------------------------|----|
| Past years' statistics | 14 |
| Map of Services        | 16 |

## **Highlight of the year**

|   |    |
|---|----|
| Serving Local Communities with<br>Love and Sincerity                              | 18 |
| 25 <sup>th</sup> Anniversary:<br>Paving the Path with Love, Caring from the Heart | 20 |
| Charity: Providing Continued Care and<br>Support for the Needy with Great Love    | 22 |
| Medicine: Delivering Quality Healthcare Services<br>in Patients' Homes            | 24 |
| Environmental Protection:<br>Environmental Awareness in Action                    | 26 |

## **Corporate Governance**

|                                    |    |
|------------------------------------|----|
| Board of Directors                 | 28 |
| Sub-Committees                     | 30 |
| Governance Evaluation and Policies | 31 |

## **Financial Statements**

|                                     |    |
|-------------------------------------|----|
| Audited Financial Statements by RSM | 34 |
|-------------------------------------|----|

## Our Founder

**D**harma 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 7 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."***



Dharma Master Cheng Yen  
Founder of Tzu Chi

人心淨化  
社會祥和  
天下無災無難

# 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 money 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 participated.

Gradually, the 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

How time flies! Tzu Chi Singapore, which was officially registered in 1993, marked its 25<sup>th</sup> year in 2018. As time passes by, we advance in age and our physical strength weakens. At the same time, our karma also increases. Dharma Master Cheng Yen keeps reminding her disciples that they must seize every second of the day to lead a valuable life. She reiterates that as long as we are mobile and able to speak, we must continue to share with others about Tzu Chi and serve in the Foundation, then would we not live an empty life. Hence, we must treasure and seize the time we have and take each step steadfastly as we work to benefit humanity.

Upholding Master Cheng Yen's aspiration of "working for Buddhism and living beings", Tzu Chi volunteers in Singapore dedicated their utmost efforts to promote the Missions of Charity, Medicine, Education, Humanistic Culture and Environmental Protection. To celebrate Tzu Chi Singapore's 25<sup>th</sup> anniversary, the volunteers held an exhibition on the Missions and organised various activities. They actively promoted the "Save for a Good Cause" campaign by going among the masses to share about Tzu Chi and inspire goodness in individuals, with the hope that more people would support Tzu Chi's charitable work and walk the Bodhisattva Path.

In 2019, Tzu Chi Singapore will set up four new establishments, including two senior activity centres, a youth centre and a Traditional Chinese Medicine free clinic, as well as an extension to the current premises of Tzu Chi Great Love PreSchool. These establishments serve various age groups, ranging from young children and youths to the middle-aged and elderly. Committed to their aspiration to serve, Tzu Chi volunteers give wherever help is needed. They extend the spirit of lasting Great Love to all those they serve and persist on "doing what is right".

With time, we can achieve many accomplishments. Tzu Chi's harmonious team spirit has over the years earned the recognition from the government and the public. I hope that more like-minded individuals will join Tzu Chi and work with concerted efforts for the greater good of mankind.

Last but not least, I wish your days be filled with auspiciousness and that every one diligently strives on the Bodhisattva Path!



**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

## 主席致词

---

时光似箭、岁月如梭，新加坡慈济从1993年注册到2018年，已经成立25年。面对不断流逝的岁月，我们的年纪、体力也随着岁月不断地消逝，无形中也在增长业力。证严上人时刻叮咛弟子们，每一天、每一秒钟都要争取，争取让生命在人间活得有价值；只要能动、能开口，总是要说、要做，不要让生命空白，分秒不空过，踏踏实实做。

秉持为“佛教为、为众生”的师志，回顾2018年，新加坡慈济志工在慈善、医疗、教育、人文及环保等领域，都不遗余力默默耕耘。欢庆25周年庆，志工举办志业成果展览及各项活动，积极推动“百万好心人”招募运动，走入人群分享慈济，启发人人心中的善种子，希望好事要让更多人来“共识”，带动人人来“共行”菩萨道。

展望2019年，四个新的志业体包括两所乐龄活动中心、青少年中心及中医义诊中心陆续启用，而大爱幼教中心也扩大校区，照顾对象涵盖幼儿、青少年、中年人到老年人。慈济志工保持初发心，那里有需要就发心投入，拉长情扩大爱，坚持“对的事，做就对了”。

时间成就一切，慈济的合和互协之美逐渐获得政府及社会大众的认同，也期盼更多乐善好义的人士共襄盛举，把握因缘积善造福，让家家有余庆、户户皆平安。祝福大家日日吉祥，菩萨道上共精进！

## CEO's Message

---

The Buddha said, "The sutras are a path, and this path is a road for us to walk on." 25 years ago, Tzu Chi's first seed took root in Singapore. Our pioneering volunteers actively served the poor and needy in the community while overcoming many challenges and setbacks at the same time. Their efforts demonstrated that the teachings of the sutras are a path for our cultivation. Our volunteers invited many people to practise the Bodhisattva Path with them, to help the poor and relieve their suffering. I sincerely express my heartfelt appreciation to the volunteers as Tzu Chi Singapore's Missions have grown and developed steadily over the past years as a result of their efforts.

Charity work is the cornerstone of Tzu Chi. In 2018, our Mission of Charity, which offers financial assistance, such as living allowances, medical subsidies and bursaries, as well as befriending and emotional support, benefitted 1,263 needy households island-wide. Every month, an average of 547 volunteers were mobilised to conduct home visits, where they personally visited our care recipients, helping them pull through their difficulties and hardships.

We also received feedback about an increasing number of kidney patients requiring assistance in Singapore. Besides providing financial assistance to needy kidney patients, we initiated a programme to provide in-depth care for them. Volunteers underwent half a year of training where they enhanced their knowledge of care for kidney patients and deepened their understanding on the needs of these patients and their families. They also learned to guide them towards self-sufficiency and to encourage them to find strength in their lives.

Many of the underprivileged households suffer poverty due to health issues and, as they cannot afford healthcare services, their illnesses deteriorate as a result. Tzu Chi Singapore's beneficiary cases that require financial assistance to pay for HIV medications, prenatal examinations, medical supplies, adult day care and other healthcare related services, have increased as compared to the preceding year. In 2018, the Foundation helped a total of 3,461 such cases.



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

Currently, the Foundation operates three healthcare establishments, providing family medicine and free Traditional Chinese Medicine services, which have received positive response from the public. Lakeside Family Medicine Clinic has been invited to join the steering committee of the NUHS RHS (National University Health System Regional Health System), and it is also a key player in the NUHS PCN (Primary Care Network) of Jurong and Bukit Batok. At the end of 2018, the clinic was also invited to be represented in One FM@ NUHS (One Family Medicine at NUHS), to help advance the academic and research discipline of Family Medicine at the NUHS.

With the support of Lakeside Family Medicine Clinic, Tzu Chi is able to offer home healthcare services, including "Home Care Services" and "Palliative Care", where patients receive quality healthcare in the comfort of their home. Our home medical care also includes Traditional Chinese Medicine services. In 2018, the Tzu Chi International Medical Association (TIMA) held the TIMA Dental Conference, which was attended by 478 dentists, dental assistants and dental students. The event received an overwhelming response with over 100 dental professionals joining the ranks of TIMA volunteers.

In our Mission of Education, the Seeds of Hope and bursary programmes continue to support needy students of different levels. Our bursary programme helps tertiary students continue their studies with ease of mind. Over the past four years, it has benefited 66 tertiary students, with 38 students receiving the bursary for over a year. At the end of last year, 12 students have completed their university education.

In 2019, Tzu Chi Singapore will be operating four new establishments, including two senior activity centres, a youth centre and a Traditional Chinese Medicine free clinic. With more tasks to accomplish, there will inevitably be more challenges along the way. In the face of these difficulties, the foundation's perseverance to achieve the goal of "purifying the hearts and minds of mankind and bringing about harmony in society" remains rooted.

To strengthen the fundamentals of our Mission of Charity, we will enhance our volunteer training programme and at the same time, improve the quality of our assistance for the underprivileged. We also hope to set up a kidney dialysis centre in 2020 to help alleviate the lack of non-profit dialysis centres in Singapore, thus enabling more needy kidney patients to live with peace and ease.

Lastly, I wish every one of us will spread our loving kindness and work for the greater good of all. May we do our best to contribute what we can and sow blessings for all living beings, so that the world will be free of suffering.

## 执行长致词

佛经有云：“经者道也，道者路也”。25年前，慈济第一颗种子在新加坡萌芽，慈济人筚路蓝缕耕耘付出，让更多人知道经是铺在路上，邀约人行行走菩萨道，济助贫苦、拔苦与乐，25年走来，慈济志业逐渐稳固茁壮。

慈善是慈济的根本，回顾去年2018年的成果，慈济慈善志业持续通过生活、医疗、教育等面向的经济或精神援助，惠及了本地1263户的弱势家庭，每月平均动员547位志工，全年无休在全岛进行家访关怀，亲访走入苦难家庭，透过聆听及抚慰，陪伴他们度过生活难关。

其中，我们观察到本地肾友日渐增加的趋势，除了给与肾友经济支援，也成立“肾友关怀深度化”专案。参与志工进行为期半年的训练，加强对于肾病者照顾的知识，也深入了解肾友的个人与家庭需求，辅导自立生活，鼓励肾友及其家人找到重生的力量。此外，由于许多弱势家庭“因病而贫、因贫而病”，慈济在心莲药物、产前检查、医疗品、日间托管等医疗相关援助，相较往年也逐渐增加，今年共援助3461人次。

在医疗的领域，目前慈济成立三所医疗志业体，提供中、西医的免费看诊服务，广受好评。其中湖畔医疗诊所不仅受邀加入国立大学区域卫生系统（NUHS RHS）的指导委员，也是裕廊武吉巴督初级保健网络（NUHS PCN）的主要参与者。2018年底，湖畔医疗诊所还被邀请参加One Family Medicine @ NUHS，以推进NUHS家庭医学的学术研究。



慈济基金会（新加坡）  
执行长刘瑞士

有着湖畔医疗诊所做后盾，慈济积极在居家往诊服务做出努力，确保老人或病人在“居家医护服务”或“居家临终关怀服务”，有着优质的照料，往诊团队也包括中医师，为有需要的病人提供中医服务。而新加坡慈济国际人医会（TIMA）在2018年举办的“牙科论坛”，共有478位与会者，包括牙医、牙科助理和牙科学生。论坛引起广大回响，接引超过100位牙医工作者加入大爱行列，让人感受到新加坡源源不断的爱心与善念。

教育方面，新芽计划及大专助学金专案持续扶持不同阶段的学子。其中，大专助学金专案让家境贫困的学子安心求学，在过去四年共惠及66位大专生，38位连续接受助学金超过1年，截至去年共12位已完成大学学业，为国家培育人才不遗余力。

明年2019年，慈济四个新志业体陆续启用，包括两个乐龄活动中心、青少年活动中心及中医义诊中心。要成就的事情越多，挑战也就越大，然而面对层层困难，慈济“净化人心、祥和社會”的初衷始终不变。

固本固根，我们将持续加强志工培训，提升对于社区弱势家庭的关怀品质，为慈善志业的拓展扎根，并期盼在2020年落实慈济洗肾中心，分担国内非营利洗肾中心位置短缺的问题，让更多贫困肾友得以安心生活。期盼人人爱心广传行善法，有钱出钱、有力出力，共为众生谋福祉，让世界不再有苦难的声音。

## Board of Directors



Toh Kim Kiat  
*Chairman*



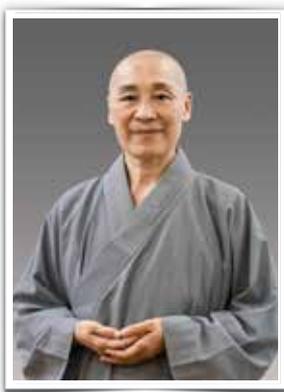
Yan Su Yuan  
*Secretary*



Sim Sem Peng  
*Assistant Secretary*



Ong Wee Heng  
*Honorary Treasurer*



Chang Horng Lin  
*Member*



Lin Pi-Yu  
*Member*



Lin Su-Yin  
*Member*



Siew Pei Fung  
*Member*



Teo Chee Seng  
*Member*



Sim Hee Chew  
*Member*



Ng Chuan Lim  
*Member*

# Management Committee

---



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



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



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



**Susi**  
*Deputy Chief Executive Officer*



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

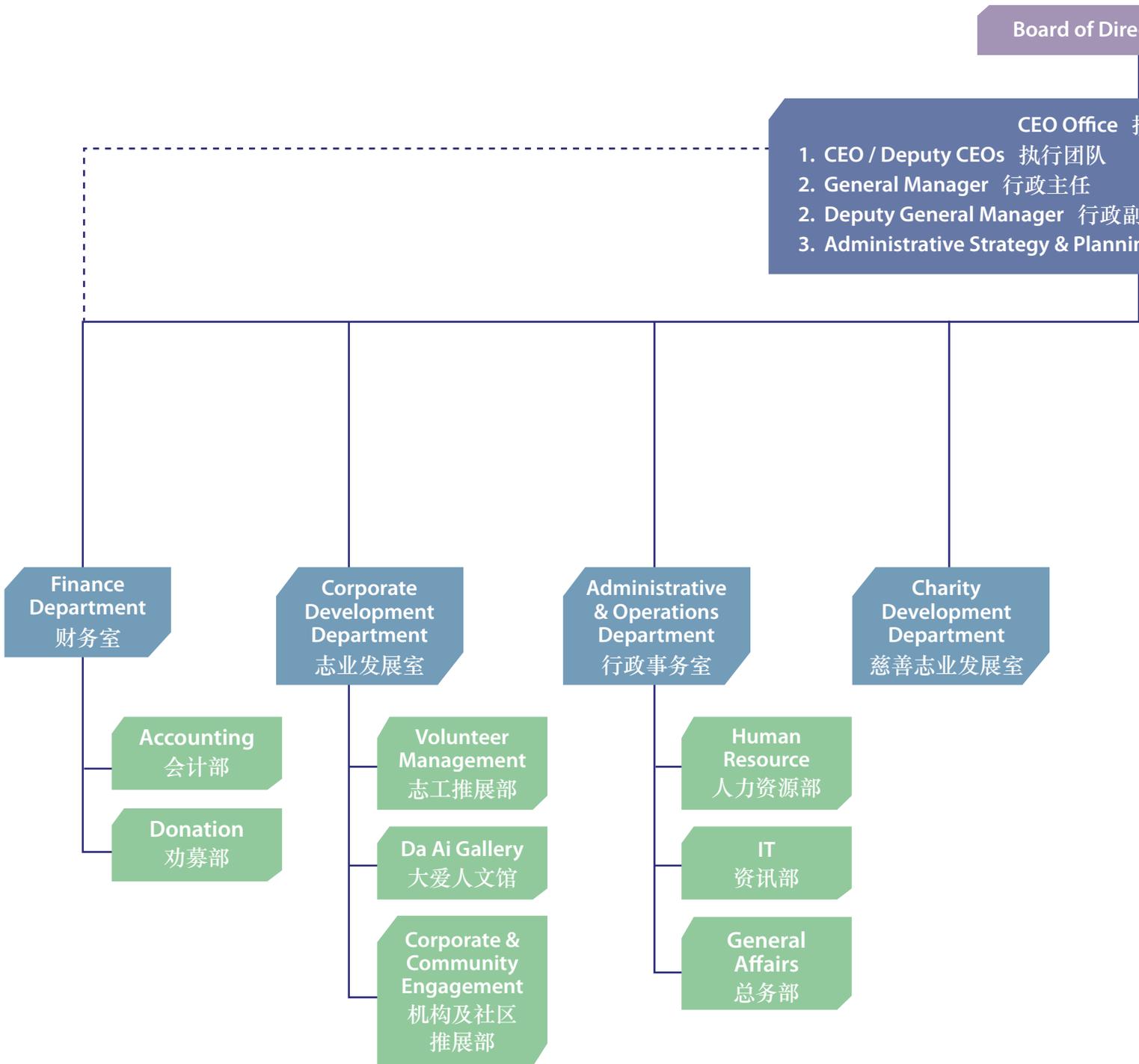


**Keng Lim**  
*General Manager*



**Boh Shuhui**  
*Deputy General Manager*

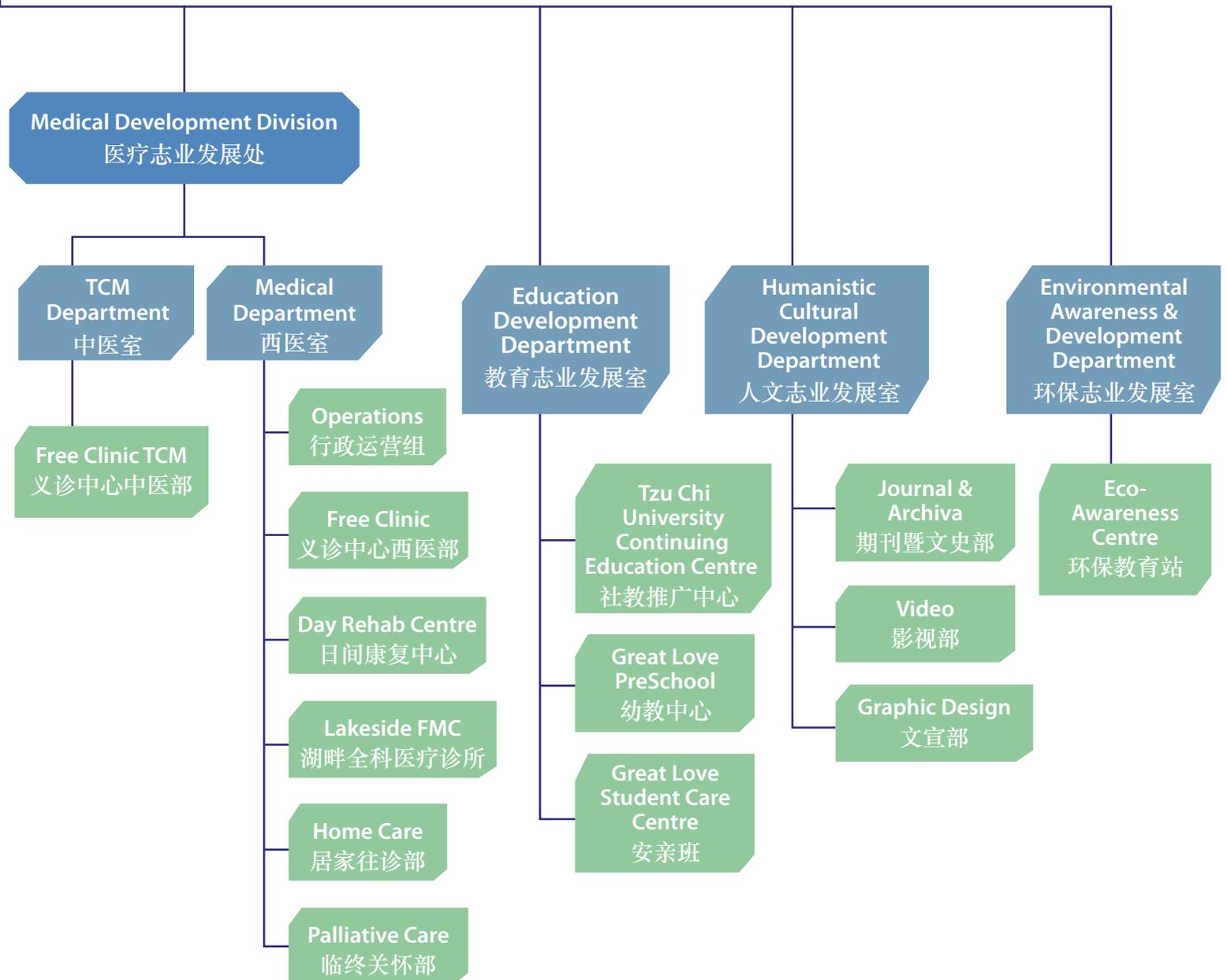
# Organisational Structure



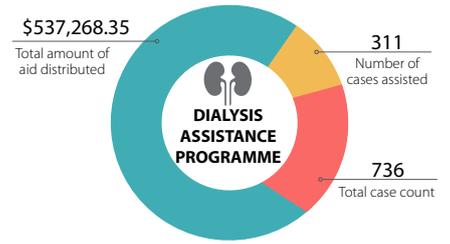
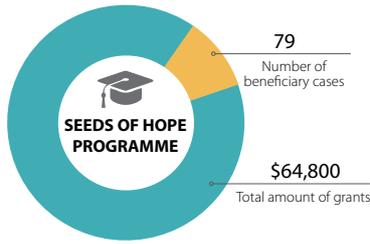
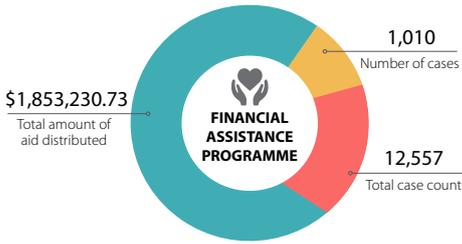
Directors 理事会

Executive Office  
执行长办公室

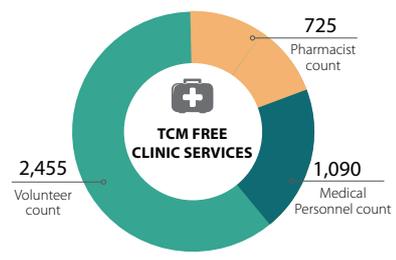
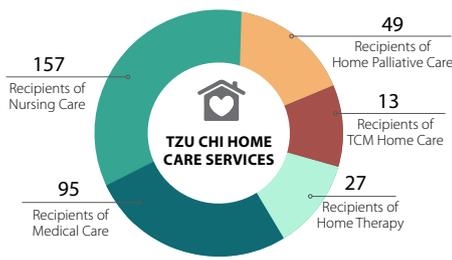
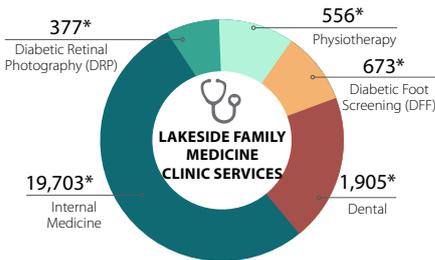
Director  
主任  
Strategic Development Team 行政策划组



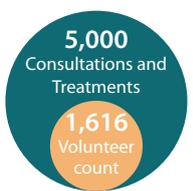
## Charity 6,002 Volunteer Shifts (Monthly Charity Day)



## Medicine

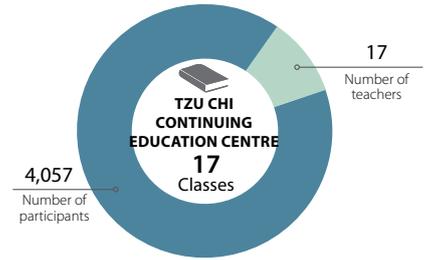
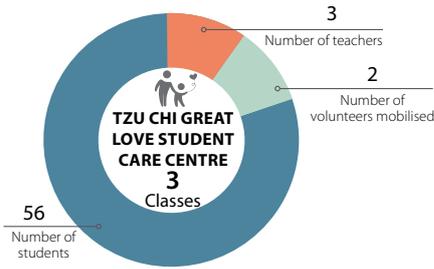
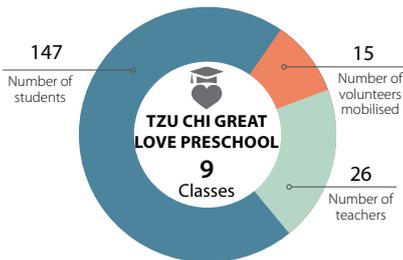


### DAY REHABILITATION CENTRE



\*Consultations and Treatments

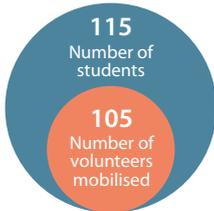
## Education



### TZU CHI PARENT-CHILD BONDING CLASS



### TZU CHI TEENAGERS' CLASS



### TZU CHI COLLEGIATE YOUTH ASSOCIATION



### TZU CHI GREAT LOVE MOTHERS



## Environmental Protection



About **1,000** recycling volunteers per month



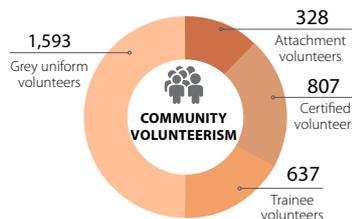
**389,080 kg**  
Total amount of paper recyclables collected in 2018



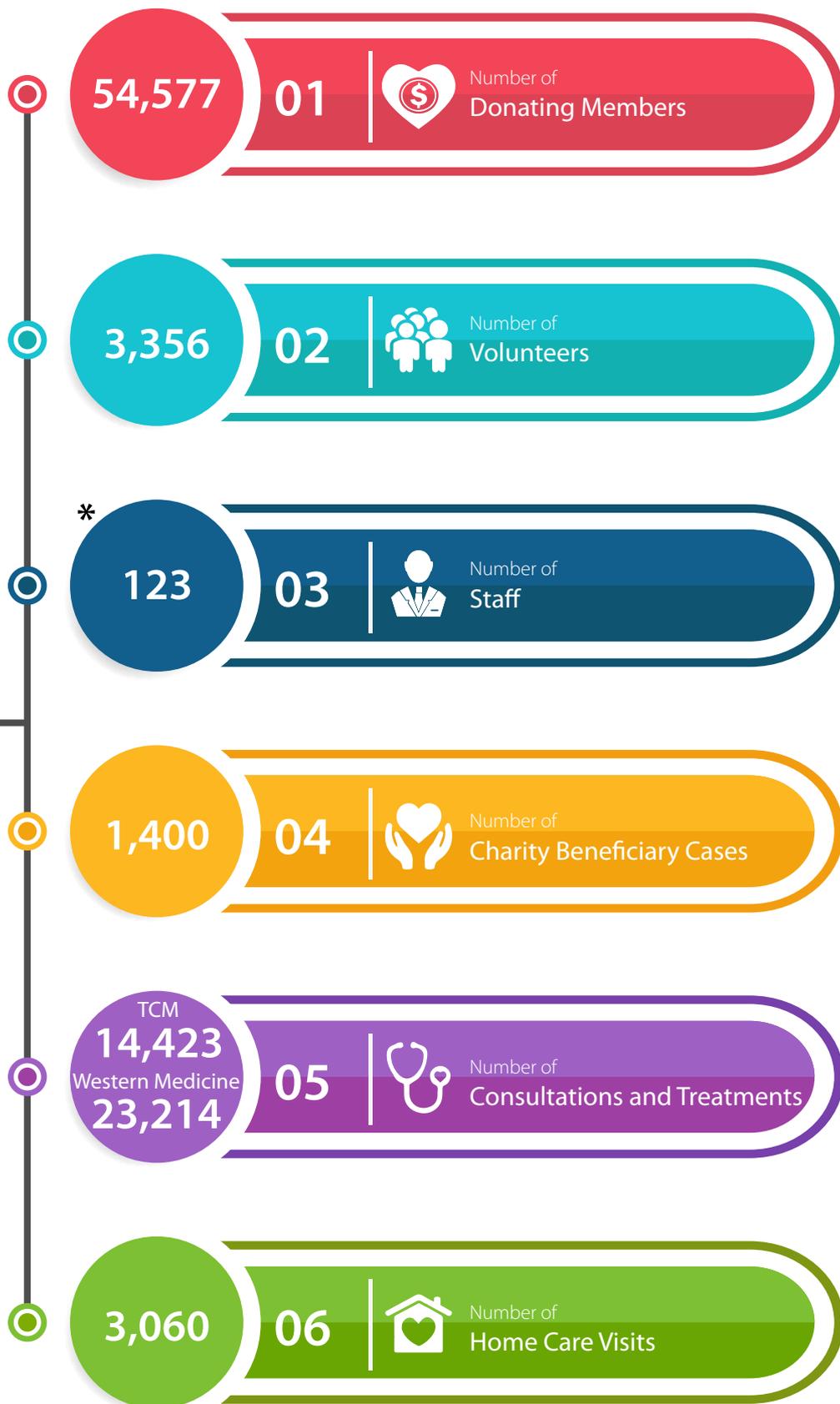
**7,782**  
Number of 20-year-old trees saved



## Community Volunteerism



# 2018 Statistics



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

# Map of Services



Map of S



1 • Jing Si Hall  
• Tzu Chi Continuing Education Centre

2 • Tzu Chi Free Clinic

3 • Lakeside Family Medicine Clinic

4 • Tzu Chi Day Rehabilitation Centre

5 • Tzu Chi Eco-Awareness Centre

6 • Tzu Chi Great Love PreSchool

7 • Tzu Chi Great Love Student Care Centre

8 • Tzu Chi Da Ai Gallery

# S e r v i c e s

# Serving Local Communities with Love and Sincerity



Established on 20<sup>th</sup> September 1993, Tzu Chi Singapore celebrated its 25<sup>th</sup> anniversary in 2018. For a quarter of the century, Tzu Chi has been developing its Missions, namely Charity, Medicine, Education, Humanistic Culture, and Environmental Protection locally. The Missions have spread throughout various communities island-wide, sowing the seeds of Great Love among people. Numerous individuals have been inspired to give selflessly to help those in need, thus enriching their lives and allowing them to live out a life of goodness and beauty.

The Foundation's charity programmes and health care services are designed to address changing societal needs. Our charity programmes include the provision of allowances for living expenses, medical subsidies, assistance for kidney and HIV patients, bursaries for needy students,

emergency aid, etc. Our health care services encompass western medicine, Traditional Chinese Medicine, dental care, and rehabilitation.

In recent years, they have expanded to include home healthcare and palliative care services. Through sincere interactions with the aid beneficiaries, Tzu Chi volunteers shower them with love and care, which warm their hearts. The volunteers' efforts have also inspired many to give of themselves in return, with their lives eventually transformed as a result.

Our nine establishments and 40 recycling points island-wide are set up to serve the public. They offer various volunteering opportunities and demonstrate Tzu Chi's humanistic values. We have more than three thousand volunteers selflessly working to benefit the masses, and spread the spirit of Great Love, which transcends race and religion, throughout our society. In 2018, with the encouragement of Dharma Master Cheng Yen, we initiated the "Save for a Good Cause" campaign. Our volunteers shared with neighbourhoods, offices, schools and enterprises about Tzu Chi's work and philosophy, with the hope of inspiring more people to do good.

To respond to changing requirements within and outside the organisation, Tzu Chi Singapore started to make improvements and adjustments to its organisational structure and operations since 2017. These efforts have strengthened its board and management structures, internal control environment, etc., thus paving the way for good corporate governance and sustainable development.

At the Jing Si Hall, our staff initiated enhancements to the water and electricity conservation practices, and began to assume more housekeeping duties. Although these efforts may seem minor, they serve to remind everyone to return to the spirit of frugality and perseverance that underlies Tzu Chi's origins.



## 25<sup>th</sup> Anniversary: Paving the Path with Love, Caring from the Heart



To mark its 25<sup>th</sup> anniversary in 2018, Tzu Chi Singapore held a series of events and activities, including a two-day volunteer training camp in September. The camp, which was attended by more than 500 participants, allowed the volunteers to delve into Tzu Chi's spirit and philosophy. In addition, the Foundation also showcased its various Missions to members of public, with the aim of propagating Humanistic Buddhism and the universal spirit of Great Love.

The first event that marked the anniversary was Tzu Chi International Medical Association (TIMA) Singapore Dental Conference, which was held on 26<sup>th</sup> August. Owing to an overwhelming response, the original venue has to be changed to accommodate all 478 participants. TIMA members in Singapore personally hosted the event to extend their warm hospitality to the participants.



Themed “Tempering the Hardware with Heartware in Dental Healthcare”, the conference presented professional knowledge as well as practices in humanistic healthcare. Among the invited speakers was the superintendent of Taichung Tzu Chi Hospital in Taiwan, Dr. Chien Sou-Hsin, who spoke of the benefits of a vegetarian diet for health and the environment. One participant shared that she had learned much about humanistic care, and the topic was entirely an intriguing way of thought for her. Many of the attendees were also inspired to sign up as volunteers to serve in Tzu Chi Singapore’s free clinics and medical aid missions.

The second event in the series of celebratory activities, was a month long exhibition held in Da Ai Gallery in September, with a focus on Tzu Chi’s Missions in Singapore. Various fringe activities, such as Rhythms Monthly: 20<sup>th</sup> Anniversary Photo Exhibition, inspiring talks, video screenings, etc. were held throughout the month. Our volunteers took painstaking efforts to make transport arrangements, tea reception, gallery tours, sharing and interaction sessions for the visitors.

The neighbouring Tzu Chi Great Love Student Care Centre was also used for guest reception. Many of the visitors were deeply impressed with the comprehensive tours and warm hospitality. They included media personnel, members of grassroots organisations, Tzu Chi’s volunteers, donors, and partners. Besides gaining a better understanding of Tzu Chi’s Missions and philosophy, our partners have established a stronger rapport with the Foundation for future collaborations.

Situated in Woodlands, Tzu Chi Eco-Awareness Centre held a launching ceremony at the end of September after it was revamped, with added features and exhibits. Representatives from various government agencies and grassroots organisations, as well as Tzu Chi’s eco-partners graced the event, as a show of support and recognition for the efforts of the Foundation’s recycling volunteers island-wide. Together, they witnessed how Tzu Chi’s Mission of Environmental Protection took root in Singapore and headed towards a new milestone. (Go to page 26 for more details.)



# Charity: Providing Continued Care and Support for the Needy with Great Love



“ *Be someone who helps others instead of someone who needs help. Helping others makes us happy; asking for help makes us miserable.*”

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

**T**zu Chi Singapore's Mission of Charity aims to help the poor with human touch. Our volunteers visit every care recipient in their home at least once a month.

The practice of “home visit” originated from the early days of Tzu Chi in Taiwan, where Dharma Master Cheng Yen personally visited the poor with her disciples to understand and assess their needs, and to give them aid and spiritual support. Such warm and loving interactions have continued throughout the world of Tzu Chi for over half a century.

Our volunteers, who come from all walks of life, work closely with our staff in reaching out to the needy households island-wide. They are required to undergo basic training and participate in case discussions and meetings, to learn about Tzu Chi's spirit and philosophy as well as acquire soft skills in conducting the home visits.

The volunteers use their after-work hours or free time during the weekends to visit the needy households. They treat the care recipients like their family members and are able to gain a thorough understanding of their living conditions, lifestyles, and family relations, and to discover changes in their needs during the home visits. If required, Tzu Chi Singapore may also help the individuals or families source for further assistance.

During the home visits, our volunteers share with the beneficiaries Master Cheng Yen's words of wisdom, which they can apply in their daily lives, and this helps them develop a positive outlook in life. Though the volunteers are not professionals, they are mindful in their efforts, with the hope of providing holistic care for the needy and their families, while accompanying them on their journey towards self-sufficiency.

With the aim of deepening its charity work, Tzu Chi Singapore initiated a programme in 2016 that encourages all its volunteers to participate in charity home visits. The first Sunday of every month is designated as "Charity Day", where teams consisting of three to five volunteers visit every beneficiary household in the neighbourhoods. Each of the beneficiary households is assigned a lead volunteer who is in charge of following up with the case on a long-term basis.

The programme has helped to foster kampung spirit in the community and the number of home visit volunteers has increased over the years. In 2018, 6,460 home visits were conducted, with more than 6,000 shifts of participating volunteers. This serves as a testimony of Tzu Chi's spirit of Great Love firmly taking root in Singapore.



# Medicine: Delivering Quality Healthcare Services in Patients' Homes



“

*The most beautiful things in the sky are the stars, while the most beautiful thing in the world is a warm and loving heart.”*

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

“If the patients cannot come out to seek treatment, our medical personnel will go to them.” – Dharma Master Cheng Yen

These words of Dharma Master Cheng Yen express her earnest hope for Tzu Chi's medical teams to make medical care accessible to all.

In 2004, Tzu Chi Singapore set up its first free clinic in the Chinatown district. The clinic mainly served low income households and needy elderly residents in the vicinity. Tzu Chi's medical teams also made house calls to patients with mobility issues, and their timely services and warm attitude brought comfort and peace of mind to the latter.

After serving the local community for over 20 years, Tzu Chi currently operates three healthcare establishments, offering services in Traditional Chinese Medicine as well as services in western medicine, including internal medicine, dental care, eye and health screening, and rehabilitation. Our healthcare teams, which are made up of staff and volunteers, also provide home services to needy patients with mobility issues.

The healthcare professionals have also gone the extra mile to help clean up the homes of some patients, do repair works for them, provide them with the medical aid equipment they need, and hold Buddha Day celebrations in their homes.



Owing to a rapidly aging population, the Singapore government encourages senior citizens to receive medical treatments in their homes. Tzu Chi Singapore saw the increasing need for home healthcare services among residents, and launched the “Home Care” and “Home Palliative Care” services in 2014 and 2016, respectively, in collaboration with the Agency for Integrated Care (AIC). Through making house calls, our healthcare personnel are able to gain an in-depth understanding of their patients’ living conditions and habits. Besides providing quality healthcare services, they also take care of their emotional needs, giving both the patients and their family members a peace of mind.

In 2014 and 2018, Tzu Chi Singapore signed an MOU with Ren Ci Hospital to provide scheduled dental services to the patients in the hospital. As of the end of 2018, our dental team had served three branches of the hospital, and provided 593 treatments.



# Environmental Protection: Environmental Awareness in Action



“

*To protect and save the Earth, we must practise both material and spiritual recycling.”*

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

Tzu Chi's Mission of Environmental Protection places a strong emphasis on implementing eco-friendly practices in daily life to reduce carbon footprint and protect Mother Earth. Besides sharing environmental knowledge and practices with friends and relatives, our volunteers also hold various events and activities in neighbourhoods, enterprises, malls, and schools to promote environmental conservation and vegetarianism. Their efforts aim to raise the public's environmental awareness and to inspire people to take action to protect Mother Earth.

To help mitigate global warming by curbing the emissions from livestock farming, Tzu Chi initiated a worldwide campaign to encourage the masses to adopt a vegetarian diet in 2015. Subsequently, Tzu Chi Singapore began inviting people to pledge online to go vegetarian on 11<sup>th</sup> January, a day designated as "Ethical Eating Day" by Dharma Master Cheng Yen. Our volunteers in Singapore actively promote vegetarianism at every Tzu Chi activity and event. In 2018, we invited 36 vegetarian eateries to offer an 11% discount to every customer on 11<sup>th</sup> January. More than ten thousand people have pledged online to go vegetarian on this day, upon volunteers' invitation and encouragement.

In recent years, the Singapore government has increasingly focused on sustainability and environmental issues. As a partnering NGO of the government, Tzu Chi has, time and again, been invited to participate in major public events that promote environmental awareness to the public. Tzu Chi volunteers demonstrated to people on how to sort recyclables at these events and took part in street clean ups. They also promoted water and electricity conservation practices to residents in various neighbourhoods. Over the years, the organisers of “Clean and Green Singapore” and “Income Eco Run” have deepened their cooperation with Tzu Chi Singapore as they recognised and affirmed the Foundation’s long-term efforts in environmental protection.



Situated in Woodlands, the Tzu Chi Eco-Awareness Centre, which features a multimedia eco exhibition and a recyclable sorting area, opens its doors to the public all year round. It serves as the cornerstone to the 40 Tzu Chi recycling points island-wide. In order to provide up-to-date environmental information and practices to visitors, the Eco-Awareness Centre underwent a revamp after being in operation for four years. With newly added interesting interactive features and graphical statistics, the Centre hopes to encourage and guide the younger generation to adopt an eco-friendly lifestyle.

On 30<sup>th</sup> September, Minister for the Environment and Water Resources, Mr. Masagos Zulkifli, officiated the launching ceremony of the newly revamped Eco-Awareness Centre. In his opening speech, the minister highlighted that the 5R principle of “Refuse, Reduce, Reuse, Repair, and Recycle” advocated by Tzu Chi aligns with the Zero Waste objective of the Sustainable Singapore Blueprint.

Many representatives from the government agencies and leaders of grassroots organisations were present at the ceremony. They expressed their hopes for the Centre to attract more schools and residents, especially senior citizens, to learn more about environmental sustainability and conservation, so that they can adopt a green lifestyle and implement eco-friendly practices at home.



# Corporate Governance

## Board of Directors

---

**T**he Board provides strategic directions and steers Tzu Chi Singapore towards a sustainable future through best practices in relevant sectors. It ensures that Tzu Chi Singapore 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 Singapore'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 Singapore also require approval from the Board.

The Board ensures that Tzu Chi Singapore 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 Singapore 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 Singapore's constant efforts to enhance the key corporate governance initiatives, the management has also actively embarked on the initiative to review all its existing policies and standard operating procedures in financial year 2018. With the objectives of better resources management and stronger internal controls in mind, revision and automation of its current work processes and procurement of relevant IT systems have also commenced and such efforts shall continue for at least the next few financial years.

# Corporate Governance

The Board held a total of three meetings in financial year 2018:

| Dates of Board Meetings | Attendance (%) |
|-------------------------|----------------|
| 11 April 2018           | 90.9%          |
| 29 May 2018             | 81.8%          |
| 25 December 2018        | 90.9%          |

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

| Directors' attendance at Board Meetings<br>(for the financial year ended 31 December 2018) |                      |                          |
|--|----------------------|--------------------------|
| 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                    | 2                        |
| Lin Pi-Yu  | 4                    | 4                        |
| Lin Su-Yin   | 4                    | 4                        |
| Ng Chuan Lim   | 4                    | 4                        |
| Sim Hee Chew   | 4                    | 4                        |
| Sim Sem Peng   | 4                    | 3                        |
| Yan Su Yuan  | 4                    | 4                        |
| Teo Chee Seng  | 4                    | 2                        |
| Liu Ming-Ta *  | 2                    | 1                        |
| Siew Pei Fung **   | 2                    | 1                        |

\* Mr Liu Ming-Ta retired from the Board with effect from 1 July 2018.

\*\* Ms Siew Pei Fung was elected as board member with effect from 1 July 2018.

## Corporate Governance

Board members who have served for over 10 consecutive years (By 30 June 2019)

| 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-Yin                        | 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 2018 to 31 December 2018*

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

| 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    |

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

| Investment Committee |                |
|----------------------|----------------|
| Chairman             | Ng Chuan Lim   |
| Member               | Sim Sem Peng   |
| Member               | Low Swee Seh   |
| Member               | Lin Su-Yin     |
| Member               | Hou Chih-Ling  |
| 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*           |

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

\* Mr Sok Hang Chaw was appointed as a member of the Programmes Committee and Fundraising Committee on 21 August 2018.

## 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 Singapore'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 Singapore with the proposed Senior Activity Centres and Youth Centre, the committee proposed to actively seek 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 Singapore stays competitive in staff attraction and retention. The Committee revised the HR Policy and reviewed Staff remuneration adjustment policy in financial year 2018.

The Committee also conducted the review of policies on volunteer management in financial year 2018.

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 2018, the committee revised the Reserve Policy and 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 Singapore's missions and objectives. In financial year 2018, Committee conducted assessments of proposed Senior Activity Centres and Youth Centre to ensure financial feasibility and that the programmes promote Tzu Chi's unique culture.

# Corporate Governance

## ~Governance Evaluation and Policies~

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 2018 to 31 December 2018 can be viewed on the Charity Portal [www.charities.gov.sg](http://www.charities.gov.sg) after 30 June 2019.

## ~Policy on Conflict of Interest~

All members of the Board, management, staff and volunteers (i.e. full time volunteers involved in Tzu Chi Singapore'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 Singapore 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.

## ~Reserve Policy~

The reserves of Tzu Chi Singapore provide financial stability and serve to meet future increases 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 Singapore's continuing obligations.

|   | 2018 | 2017 | 2016 |
|---|------|------|------|
| Ratio of unrestricted funds to annual operating expenditure (times) | 1.79 | 1.86 | 1.99 |

**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 2018

# Contents

|   |    |
|---|----|
| Statement by Directors .....                    | 36 |
| Independent Auditor's Report.....               | 37 |
| Statement of Financial Activities.....          | 40 |
| Statement of Financial Position .....           | 42 |
| Statement of Changes in Accumulated Funds ..... | 43 |
| Statement of Cash Flows .....                   | 44 |
| Statement of Financial Activities .....         | 45 |
| – Supplementary Schedules                       |    |
| Notes to the Financial Statements .....         | 52 |

## 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 2018 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

(10 June 2019)

# 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 2018, 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 Singapore Financial Reporting Standards (SFRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2018 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.

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.

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

- 2 -

### **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.
- (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.

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

– 3 –

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

- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

In our opinion,

- (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.

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 2017

(10 June 2019)

## Statement of Financial Activities

For the Reporting Year Ended 31 December 2018

| 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>4,890,430</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  | 233,662            | 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 15 (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 Activities

For the Reporting Year Ended 31 December 2017

| 2017  | Unrestricted funds |                   |                 | Restricted funds  |                     | Total             |
|---|--------------------|-------------------|-----------------|-------------------|---------------------|-------------------|
|   | General Fund       | Local Relief Fund | Designated Fund | Sub-Total         | Local Building Fund |                   |
| <b>INCOMING RESOURCES</b>   | \$                 | \$                | \$              | \$                | \$                  | \$                |
| Voluntary income  | 1,368,265          | 5,427,022         | –               | 6,795,287         | –                   | 6,795,287         |
| Charitable activities income  | 1,412,603          | 1,742,107         | –               | 3,154,710         | –                   | 3,154,710         |
| Funds generating activities   | 120,232            | –                 | –               | 120,232           | –                   | 120,232           |
| Interest income   | 64,681             | 104,778           | –               | 169,459           | 33,971              | 203,430           |
| Sundry income   | 71,301             | 69,961            | –               | 141,262           | –                   | 141,262           |
| Government grant  | 7,318              | 182,272           | 272,000         | 461,590           | –                   | 461,590           |
| Amortisation of deferred capital grants   | 40,873             | 11,595            | 137,280         | 189,748           | –                   | 189,748           |
| Total incoming resources  | <b>3,085,273</b>   | <b>7,537,735</b>  | <b>409,280</b>  | <b>11,032,288</b> | <b>33,971</b>       | <b>11,066,259</b> |
| <b>RESOURCES EXPENDED</b>   |                    |                   |                 |                   |                     |                   |
| Costs of generating voluntary income: fund raising  | 227,586            | –                 | –               | 227,586           | –                   | 227,586           |
| Costs of charitable activities: welfare services, homecare support expenses and cultural activities | 1,514,433          | 5,729,245         | 425,180         | 7,668,858         | –                   | 7,668,858         |
| Administrative costs  | 1,341,736          | 577,562           | 73,287          | 1,992,585         | 50,030              | 2,042,615         |
| Total resources expended  | <b>3,083,755</b>   | <b>6,306,807</b>  | <b>498,467</b>  | <b>9,889,029</b>  | <b>50,030</b>       | <b>9,939,059</b>  |
| Surplus/(deficit) for the reporting year  | 1,518              | 1,230,928         | (89,187)        | 1,143,259         | (16,059)            | 1,127,200         |
| Balance at 1 January 2017   | 7,854,196          | 9,351,770         | 89,187          | 17,295,153        | 3,183,209           | 20,478,362        |
| Balance at 31 December 2017   | <b>7,855,714</b>   | <b>10,582,698</b> | –               | <b>18,438,412</b> | <b>3,167,150</b>    | <b>21,605,562</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 2018

|  | Notes | 2018<br>\$        | 2017<br>\$ |
|--|-------|-------------------|------------|
| <b>Assets</b>                                  |       |                   |            |
| <b>Non-current assets</b>                      |       |                   |            |
| Plant and equipment                            | 8     | 2,552,881         | 1,567,560  |
| Other assets                                   | 11    | 650,000           | 700,000    |
| <b>Total non-current assets</b>                |       | <b>3,202,881</b>  | 2,267,560  |
| <b>Current assets</b>                          |       |                   |            |
| Inventories                                    | 9     | 78,259            | 88,774     |
| Other receivables                              | 10    | 919,442           | 492,458    |
| Other assets                                   | 11    | 120,603           | 124,952    |
| Cash and cash equivalents                      | 12    | 22,852,074        | 20,284,854 |
| <b>Total current assets</b>                    |       | <b>23,970,378</b> | 20,991,038 |
| <b>Current liabilities</b>                     |       |                   |            |
| Trade and other payables                       | 13    | 780,049           | 664,672    |
| Other liabilities                              | 14    | 1,638,309         | 988,364    |
| <b>Total current liabilities</b>               |       | <b>2,418,358</b>  | 1,653,036  |
| <b>Net assets</b>                              |       | <b>24,754,901</b> | 21,605,562 |
| <b>The accumulated funds of the Foundation</b> |       |                   |            |
| <b>Unrestricted funds</b>                      |       |                   |            |
| General fund                                   | 15    | 8,912,617         | 7,855,714  |
| Local relief fund                              | 15    | 10,539,761        | 10,582,698 |
| <b>Total unrestricted funds</b>                |       | <b>19,452,378</b> | 18,438,412 |
| <b>Restricted funds</b>                        |       |                   |            |
| Gym Tonic fund                                 | 15    | 211,000           | –          |
| IngoT PCC fund                                 | 15    | 140,000           | –          |
| Home Care fund                                 | 15    | 1,800,000         | –          |
| Local building fund                            | 15    | 3,151,523         | 3,167,150  |
| <b>Total restricted funds</b>                  |       | <b>5,302,523</b>  | 3,167,150  |
| <b>Total accumulated funds</b>                 |       | <b>24,754,901</b> | 21,605,562 |

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

## Statement of Changes in Accumulated Funds

For the Reporting Year Ended 31 December 2018

|   | 2018              | 2017       |
|---|-------------------|------------|
|   | \$                | \$         |
| <b>Balance at beginning of the year</b> | <b>21,605,562</b> | 20,478,362 |
| Net surplus for the reporting year      | <b>3,149,339</b>  | 1,127,200  |
| <b>Balance at end of the year</b>       | <b>24,754,901</b> | 21,605,562 |

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

## Statement of Cash Flows

For the Reporting Year Ended 31 December 2018

|  | 2018                     | 2017              |
|--|--------------------------|-------------------|
|  | \$                       | \$                |
| <b>Cash flows from operating activities</b>                                      |                          |                   |
| Surplus for the reporting year   | 3,149,339                | 1,127,200         |
| Adjustments for:   |                          |                   |
| Depreciation of plant and equipment  | 591,666                  | 609,065           |
| Amortisation of deferred capital grants  | (237,252)                | (189,748)         |
| Losses on disposal of plant and equipment  | 59,211                   | 6,693             |
| Gift in kind received  | (14,732)                 | –                 |
| Interest income  | (244,398)                | (203,430)         |
| Operating cash flow before changes in working capital                            | <u>3,303,834</u>         | 1,349,780         |
| Inventories  | 10,515                   | (2,162)           |
| Other receivables  | (309,983)                | (19,491)          |
| Other assets   | 4,349                    | 12,185            |
| Trade and other payables   | 115,377                  | 83,073            |
| Other liabilities  | 887,197                  | (362,116)         |
| <b>Net cash flows from operating activities</b>                                  | <u>4,011,289</u>         | 1,061,269         |
| <b>Cash flows from investing activities</b>                                      |                          |                   |
| Purchase of plant and equipment (Note 8)   | (1,621,466)              | (633,247)         |
| Interest income received   | 177,397                  | 188,634           |
| Cash restricted in use   | (1,871,064)              | 406,411           |
| <b>Net cash flows used in investing activities</b>                               | <u>(3,315,133)</u>       | (38,202)          |
| <b>Net increase in cash and cash equivalents</b>                                 | 696,156                  | 1,023,067         |
| Cash and cash equivalents, cash flow statement, beginning Balance                | <u>10,372,282</u>        | 9,349,215         |
| <b>Cash and cash equivalents, cash flow statement, ending balance (Note 12A)</b> | <u><u>11,068,438</u></u> | <u>10,372,282</u> |

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

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2018

|   | Notes | Unrestricted funds |                   |                 |                  | Restricted funds |                |                |                     | Sub-total | Total            |
|---|-------|--------------------|-------------------|-----------------|------------------|------------------|----------------|----------------|---------------------|-----------|------------------|
|   |       | General Fund       | Local Relief Fund | Designated Fund | Sub-Total        | GYM Tonic Fund   | IngoT PCC Fund | Home Care Fund | Local Building Fund |           |                  |
|   |       | \$                 | \$                | \$              | \$               | \$               | \$             | \$             | \$                  | \$        | \$               |
| <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<br>(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<br>(Save for a good cause)                                     |       | –                  | 329,111           | –               | 329,111          | –                | –              | –              | –                   | –         | 329,111          |
|   |       | <b>3,118,684</b>   | <b>5,185,340</b>  | <b>–</b>        | <b>8,304,024</b> | <b>–</b>         | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>8,304,024</b> |
| <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 goods  |       | 150,530            | –                 | –               | 150,530          | –                | –              | –              | –                   | –         | 150,530          |
| Donated assets  |       | 14,732             | –                 | –               | 14,732           | –                | –              | –              | –                   | –         | 14,732           |
| Free clinics, rehabilitation,<br>and other clinic services                                  |       | –                  | 1,650,671         | –               | 1,650,671        | –                | –              | –              | –                   | –         | 1,650,671        |
| ILTC – MOH – subvented<br>home medical, nursing,<br>therapy and palliative<br>care services |       | –                  | 388,448           | –               | 388,448          | –                | –              | –              | –                   | –         | 388,448          |
|   |       | <b>1,435,278</b>   | <b>2,039,119</b>  | <b>–</b>        | <b>3,474,397</b> | <b>–</b>         | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>3,474,397</b> |
| <b>Funds generating activities</b>  |       |                    |                   |                 |                  |                  |                |                |                     |           |                  |
| Flag Day  |       | –                  | 123,463           | –               | 123,463          | –                | –              | –              | –                   | –         | 123,463          |
| Placement of donation boxes   |       | 68,333             | –                 | –               | 68,333           | –                | –              | –              | –                   | –         | 68,333           |
|   |       | <b>68,333</b>      | <b>123,463</b>    | <b>–</b>        | <b>191,796</b>   | <b>–</b>         | <b>–</b>       | <b>–</b>       | <b>–</b>            | <b>–</b>  | <b>191,796</b>   |

## Statement of Financial Activities – Supplementary Schedules

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

| 2018   | Notes | Unrestricted funds |                   |                 |                   | Restricted funds |                |                |                     | Sub-total      | Total             |
|--|-------|--------------------|-------------------|-----------------|-------------------|------------------|----------------|----------------|---------------------|----------------|-------------------|
|  |       | General Fund       | Local Relief Fund | Designated Fund | Sub-Total         | GYM Tonic Fund   | IngoT PCC Fund | Home Care Fund | Local Building Fund |                |                   |
|  |       | \$                 | \$                | \$              | \$                |                  |                |                | \$                  | \$             | \$                |
| <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>                          |       | <b>4,890,430</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>                                |       |                    |                   |                 |                   |                  |                |                |                     |                |                   |
| <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  | Notes | Unrestricted funds |                   |                 |                  | Restricted funds |                |               |                     | Sub-total | Total            |
|---|-------|--------------------|-------------------|-----------------|------------------|------------------|----------------|---------------|---------------------|-----------|------------------|
|   |       | General Fund       | Local Relief Fund | Designated Fund | Sub-Total        | GYM Tonic Fund   | IngoT PCC Fund | Hom Care Fund | Local Building Fund |           |                  |
|   |       | \$                 | \$                | \$              | \$               |                  |                |               | \$                  | \$        | \$               |
| <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            | -               | 41,483           | -                | -              | -             | -                   | -         | 41,483           |
| Anniversary exhibition  |       | 46,155             | -                 | -               | 46,155           | -                | -              | -             | -                   | -         | 46,155           |
| Humanistic culture  |       | 118,664            | -                 | -               | 118,664          | -                | -              | -             | -                   | -         | 118,664          |
|   |       | <b>1,775,850</b>   | <b>5,993,061</b>  | <b>341,110</b>  | <b>8,110,021</b> | <b>-</b>         | <b>-</b>       | <b>-</b>      | <b>-</b>            | <b>-</b>  | <b>8,110,021</b> |

## 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         |  |
|                                    | <b>1,824,015</b> | <b>574,209</b>     | <b>131,807</b>  | <b>2,530,031</b>  | <b>–</b>       | <b>–</b>         | <b>–</b>      | <b>50,030</b>       | <b>50,030</b> | <b>2,580,061</b>  |  |
| <b>Total expended resources</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> |  |

## Statement of Financial Activities – Supplementary Schedules

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

| 2017   | Unrestricted funds |              |                   | Restricted funds |            |                     |            |
|--|--------------------|--------------|-------------------|------------------|------------|---------------------|------------|
|  | Notes              | General Fund | Local Relief Fund | Designated Fund  | Sub-Total  | Local Building Fund | Total      |
|  |                    | \$           | \$                | \$               | \$         | \$                  | \$         |
| <b>INCOMING RESOURCES</b>  |                    |              |                   |                  |            |                     |            |
| <b>Voluntary income</b>  |                    |              |                   |                  |            |                     |            |
| Tax deductible donations   | 4                  | 1,220,279    | 3,134,055         | –                | 4,354,334  | –                   | 4,354,334  |
| Tax deductible donations<br>(Save for a good cause)                                      | 4                  | –            | 610               | –                | 610        | –                   | 610        |
| Non-tax deductible donations   |                    | 147,986      | 2,291,470         | –                | 2,439,456  | –                   | 2,439,456  |
| Non-tax deductible donations<br>(Save for a good cause)                                  |                    | –            | 887               | –                | 887        | –                   | 887        |
|  |                    | 1,368,265    | 5,427,022         | –                | 6,795,287  | –                   | 6,795,287  |
| <b>Charitable income</b>   |                    |              |                   |                  |            |                     |            |
| Children and youth classes   |                    | 1,151,497    | –                 | –                | 1,151,497  | –                   | 1,151,497  |
| Continuing education center  |                    | 111,901      | –                 | –                | 111,901    | –                   | 111,901    |
| Sales of goods   |                    | 149,205      | –                 | –                | 149,205    | –                   | 149,205    |
| Free clinics, rehabilitation,<br>and other clinic services                               |                    | –            | 1,523,242         | –                | 1,523,242  | –                   | 1,523,242  |
| ILTC – MOH – subvented home<br>medical, nursing, therapy and<br>palliative care services |                    | –            | 218,865           | –                | 218,865    | –                   | 218,865    |
|  |                    | 1,412,603    | 1,742,107         | –                | 3,154,710  | –                   | 3,154,710  |
| <b>Funds generating activities</b>   |                    |              |                   |                  |            |                     |            |
| Placement of donation boxes  |                    | 120,232      | –                 | –                | 120,232    | –                   | 120,232    |
|  |                    | 120,232      | –                 | –                | 120,232    | –                   | 120,232    |
| <b>Others</b>  |                    |              |                   |                  |            |                     |            |
| Interest income  |                    | 64,681       | 104,778           | –                | 169,459    | 33,971              | 203,430    |
| Sundry income  |                    | 71,301       | 69,961            | –                | 141,262    | –                   | 141,262    |
| Government grant   |                    | 7,318        | 182,272           | 272,000          | 461,590    | –                   | 461,590    |
| Amortisation of deferred<br>capital grants   |                    | 40,873       | 11,595            | 137,280          | 189,748    | –                   | 189,748    |
|  |                    | 184,173      | 368,606           | 409,280          | 962,059    | 33,971              | 996,030    |
| <b>Total incoming resources</b>  |                    | 3,085,273    | 7,537,735         | 409,280          | 11,032,288 | 33,971              | 11,066,259 |

## Statement of Financial Activities – Supplementary Schedules

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

| 2017  | Unrestricted funds |              |                   | Restricted funds |           | Total |                     |
|---|--------------------|--------------|-------------------|------------------|-----------|-------|---------------------|
|   | Notes              | General Fund | Local Relief Fund | Designated Fund  | Sub-Total |       | Local Building Fund |
| RESOURCES EXPENDED  |                    | \$           | \$                | \$               | \$        | \$    |                     |
| <b>Costs of generating voluntary income: fund raising</b>   |                    |              |                   |                  |           |       |                     |
| Placement of donation boxes   |                    | 1,000        | –                 | –                | 1,000     | –     | 1,000               |
| Recycling activities  |                    | 226,586      | –                 | –                | 226,586   | –     | 226,586             |
|   |                    | 227,586      | –                 | –                | 227,586   | –     | 227,586             |
| <b>Costs of charitable activities: welfare services and homecare support expenses and cultural activities</b> |                    |              |                   |                  |           |       |                     |
| Programme for the needy families  |                    | –            | 1,252,356         | –                | 1,252,356 | –     | 1,252,356           |
| Programme for the medical treatments  |                    | –            | 1,085,432         | –                | 1,085,432 | –     | 1,085,432           |
| Seed of hope programmes   |                    | –            | 102,769           | –                | 102,769   | –     | 102,769             |
| Free clinics, rehabilitation, and other clinic services   |                    | –            | 2,550,727         | –                | 2,550,727 | –     | 2,550,727           |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services                            |                    | –            | 538,965           | –                | 538,965   | –     | 538,965             |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services - depreciation             |                    | –            | 8,820             | –                | 8,820     | –     | 8,820               |
| Losses on disposal of plant and equipment   |                    | 952          | 5,741             | –                | 6,693     | –     | 6,693               |
| Depreciation  |                    | 121,415      | 184,435           | 153,180          | 459,030   | –     | 459,030             |
| Bursary scheme  |                    | –            | –                 | 272,000          | 272,000   | –     | 272,000             |
| Children and youth classes  |                    | 1,190,117    | –                 | –                | 1,190,117 | –     | 1,190,117           |
| Continuing education center   |                    | 71,766       | –                 | –                | 71,766    | –     | 71,766              |
| Humanistic culture  |                    | 125,566      | –                 | –                | 125,566   | –     | 125,566             |
| Other cultural activities   |                    | 4,617        | –                 | –                | 4,617     | –     | 4,617               |
|   |                    | 1,514,433    | 5,729,245         | 425,180          | 7,668,858 | –     | 7,668,858           |



## Notes to the Financial Statements

31 December 2018

### 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 Singapore Financial Reporting Standards ("SFRSs") and the related interpretations to SFRS ("INT SFRS") 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**

#### **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 right of return exists, trade discounts, volume rebates and 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*

Revenue 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*

Revenue 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 rendering of services, including childcare fees, fees on continuing education classes, that are of short duration is recognised when the Foundation satisfies the performance obligation at a point in time generally when the significant acts have been completed and when transfer of control occurs. For services that have 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 (cont'd)**

### **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> %        |

Construction in progress is those assets that have not been put to use or in the process of installation, hence not available for use. 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.

#### Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

#### 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.

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

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

#### **Impairment of non-financial assets (cont'd)**

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.

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

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

#### Financial instruments (cont'd)

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.

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.

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

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

#### **Fair value measurement (cont'd)**

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.

#### **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 pre-tax 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.

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 |          |
|-----------------------------|-----------------|----------|
|                             | 2018            | 2017     |
|                             | \$              | \$       |
| Purchases of goods          | <b>32,759</b>   | 56,020   |
| Rental and related expenses | <b>162,117</b>  | 162,020  |
| Rental income               | <b>(24,000)</b> | (24,000) |
| Payment on behalf           | –               | 14,900   |
| Management fees             | <b>(24,000)</b> | –        |

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

#### 3A. Related party transactions (cont'd):

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

|                | Related party<br>– Buddhist Compassion Relief<br>Tzu Chi Foundation |        |
|----------------|---|--------|
|                | 2018  | 2017   |
|                | \$  | \$     |
| Rental expense | <b>50,012</b>   | 50,012 |

#### 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 (2017: 2.5) times tax deductions for the donations made to the Foundation during FY2018. The Institution of a Public Character ("IPC") status granted to the Foundation is for the period from 1 December 2015 to 28 February 2019, and upon its expiry, IPC status was further granted to the Foundation for the period from 1 March 2019 to 28 February 2022.

|  | 2018             | 2017      |
|--|------------------|-----------|
|  | \$               | \$        |
| Tax-exempt receipts issued for donations collected | <b>7,266,827</b> | 4,354,944 |

### 5. Other operating expenses

The major and other components include the following:

|   | 2018             | 2017    |
|---|------------------|---------|
|   | \$               | \$      |
| Audit fees paid to independent auditors | <b>19,750</b>    | 18,750  |
| Rental expenses (Note 18)               | <b>110,287</b>   | 127,210 |
| Employee benefit expenses (Note 6)      | <b>1,124,524</b> | 973,309 |
| Utilities                               | <b>37,529</b>    | 46,279  |

## 6. Employee benefits expense

|  | <b>2018</b>             | 2017             |
|--|-------------------------|------------------|
|  | <b>\$</b>               | \$               |
| Short term employee benefits expense       | <b>3,870,431</b>        | 3,372,563        |
| Contributions to defined contribution plan | <b>416,910</b>          | 406,075          |
| Total employee benefits expense            | <b><u>4,287,341</u></b> | <u>3,778,638</u> |

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

|                                 | <b>2018</b>             | 2017             |
|---------------------------------|-------------------------|------------------|
|                                 | <b>\$</b>               | \$               |
| Other operating expenses        | <b>1,124,524</b>        | 973,309          |
| Other social activities         | <b>434,405</b>          | 361,819          |
| Charitable activities           | <b>2,658,621</b>        | 2,368,677        |
| Fund generating activities      | <b>69,791</b>           | 74,833           |
| Total employee benefits expense | <b><u>4,287,341</u></b> | <u>3,778,638</u> |

## 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 2017               | 1,518,651   | 1,573,773           | 611,067                   | 196,030           | 63,514                      | 3,963,035 |
| Additions                       | 283,813     | 325,922             | 9,601                     | –                 | 13,911                      | 633,247   |
| Disposals                       | –           | (89,680)            | (39,274)                  | –                 | –                           | (128,954) |
| At 31 December 2017             | 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 |
| <u>Accumulated Depreciation</u> |             |                     |                           |                   |                             |           |
| At 1 January 2017               | 878,379     | 948,437             | 475,881                   | 110,267           | –                           | 2,412,964 |
| Depreciation for the year       | 316,132     | 237,937             | 32,508                    | 22,488            | –                           | 609,065   |
| Disposals                       | –           | (89,680)            | (32,581)                  | –                 | –                           | (122,261) |
| At 31 December 2017             | 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 |
| <u>Carrying value:</u>          |             |                     |                           |                   |                             |           |
| At 1 January 2017               | 640,272     | 625,336             | 135,186                   | 85,763            | 63,514                      | 1,550,071 |
| At 31 December 2017             | 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 |

Note A: During the current reporting year, the Foundation received total donated assets (gift in kind) amounting to \$14,732 (2017: \$Nil). These donated assets have been capitalised as part of plant and equipment.

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

Fully depreciated plant and equipment still in use had an initial cost of \$2,150,704 (2017: \$1,673,023).

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

|   | <b>2018</b>    | 2017    |
|---|----------------|---------|
|   | <b>\$</b>      | \$      |
| Fund raising                                    | <b>245</b>     | –       |
| Administrative costs (Other operating expenses) | <b>258,168</b> | 141,215 |
| Charitable activities                           | <b>333,253</b> | 467,850 |
| Total depreciation expense                      | <b>591,666</b> | 609,065 |

## 9. Inventories

|                     | <b>2018</b>   | 2017   |
|---------------------|---------------|--------|
|                     | <b>\$</b>     | \$     |
| Inventories at cost | <b>78,259</b> | 88,774 |

There are no inventories pledged as security for liabilities.

## 10. Other receivables

|                                  | <b>2018</b>    | 2017    |
|----------------------------------|----------------|---------|
|                                  | <b>\$</b>      | \$      |
| Outside parties                  | <b>359,314</b> | 234,986 |
| Clinic patients receivables      | <b>57,567</b>  | 36,495  |
| Government subsidies receivables | <b>502,561</b> | 220,977 |
|                                  | <b>919,442</b> | 492,458 |

The other receivables at amortised cost shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. Other receivables are normally with no fixed terms and therefore there is no maturity. Other 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.

## 11. Other assets

|   | 2018           | 2017    |
|---|----------------|---------|
|   | \$             | \$      |
| Deposits to secure services - outside parties | <b>39,029</b>  | 36,954  |
| Deposits to secure services - related party   | <b>23,690</b>  | 23,690  |
| Prepayments                                   | <b>7,884</b>   | 14,308  |
| Prepayments – Local Building Fund (Note A)    | <b>700,000</b> | 750,000 |
|   | <b>770,603</b> | 824,952 |
| Presented as:                                 |                |         |
| Other assets, current                         | <b>120,603</b> | 124,952 |
| Other assets, non-current                     | <b>650,000</b> | 700,000 |
|   | <b>770,603</b> | 824,952 |

### Note A:

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 analysis of the amount is as follows:

|  | 2018               | 2017        |
|--|--------------------|-------------|
|  | \$                 | \$          |
| <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 1 January 2018                              | <b>(400,713)</b>   | (350,713)   |
| Rental offsetting during the reporting year    | <b>(50,000)</b>    | (50,000)    |
| At 31 December 2018                            | <b>(450,713)</b>   | (400,713)   |
| Prepayment as at the end of the reporting year | <b>700,000</b>     | 750,000     |

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.

## 12. Cash and cash equivalents

|   | 2018              | 2017       |
|---|-------------------|------------|
|   | \$                | \$         |
| Not restricted in use   | <b>11,068,438</b> | 10,372,282 |
| Restricted in use:  |                   |            |
| (a) Cash restricted in use over 3 months  | <b>6,876,056</b>  | 7,016,008  |
| (b) Restricted for unutilised deferred capital and government grants (Note 14B) | <b>20,672</b>     | 166,034    |
| (c) Cash under restricted funds (Note A)  | <b>4,886,908</b>  | 2,730,530  |
|   | <b>22,852,074</b> | 20,284,854 |

Note A: Cash and cash equivalents restricted in use are deposits placed in banks allocated to restricted funds (Note 15).

The rate of interest for the cash on interest earning balances was between 1.30% and 1.88% (2017: 0.80% and 1.28%) per annum.

## 12A. Cash and cash equivalents in the statement of cash flow:

|   | 2018                | 2017        |
|---|---------------------|-------------|
|   | \$                  | \$          |
| Amount as shown above   | <b>22,852,074</b>   | 20,284,854  |
| Restricted in use   | <b>(11,783,636)</b> | (9,912,572) |
| Cash and cash equivalents for Statement of Cash Flows purposes at end of year | <b>11,068,438</b>   | 10,372,282  |

## 13. Trade and other payables

|   | 2018           | 2017    |
|---|----------------|---------|
|   | \$             | \$      |
| <b>Trade payables:</b>                  |                |         |
| Outside parties and accrued liabilities | <b>298,887</b> | 204,925 |
| Related parties (Note 3)                | <b>2,790</b>   | 13,982  |
| Sub-total                               | <b>301,677</b> | 218,907 |
| <b>Other payables:</b>                  |                |         |
| Outside parties                         | <b>478,372</b> | 445,765 |
| Sub-total                               | <b>478,372</b> | 445,765 |
| Total trade and other payables          | <b>780,049</b> | 664,672 |

## 14. Other liabilities

|   | 2018             | 2017           |
|---|------------------|----------------|
|   | \$               | \$             |
| Deferred capital grants (Note 14A)          | 1,540,474        | 759,004        |
| Deferred government grant income (Note 14B) | 20,672           | 166,034        |
| Cash collected in advance for courses       | 77,163           | 63,326         |
|   | <b>1,638,309</b> | <b>988,364</b> |

### 14A. Deferred capital grants:

|   | 2018             | 2017      |
|---|------------------|-----------|
|   | \$               | \$        |
| <b>At cost:</b>                                   |                  |           |
| Balance at beginning of the year                  | 1,156,221        | 560,926   |
| Purchase of plant and equipment - grants received | 1,018,722        | 595,295   |
| Balance at end of the year                        | <b>2,174,943</b> | 1,156,221 |
| <b>Accumulated amortisation:</b>                  |                  |           |
| Balance at beginning of the year                  | 397,217          | 207,469   |
| Amortisation for the year                         | 237,252          | 189,748   |
| Balance at end of the year                        | <b>634,469</b>   | 397,217   |
| <b>Carrying value:</b>                            |                  |           |
| Balance at beginning of the year                  | 759,004          | 353,457   |
| Balance at end of the year                        | <b>1,540,474</b> | 759,004   |

### 14B. Deferred government grant income

|   | 2018             | 2017      |
|---|------------------|-----------|
|   | \$               | \$        |
| Balance at beginning of the year            | 166,034          | 643,329   |
| Add: Fund received                          | 870,000          | 390,000   |
|   | <b>1,036,034</b> | 1,033,329 |
| Less: Expenditure incurred                  | (292,000)        | (272,000) |
| Less: Transferred to deferred capital grant | (1,018,722)      | (595,295) |
| Add: Refund of bursary from student         | 5,360            | –         |
| Add: Accrued grant income received          | 290,000          | –         |
| Balance at end of the year                  | <b>20,672</b>    | 166,034   |

## 15. Accumulated funds

|  | 2018              | 2017       |
|--|-------------------|------------|
|  | \$                | \$         |
| <b>Unrestricted funds:</b>   |                   |            |
| General fund   | <b>8,912,617</b>  | 7,855,714  |
| Local relief fund  | <b>10,539,761</b> | 10,582,698 |
| Total unrestricted funds   | <b>19,452,378</b> | 18,438,412 |
| <b>Restricted funds:</b>   |                   |            |
| Gym Tonic Fund   | <b>211,000</b>    | –          |
| IngoT PCC Fund   | <b>140,000</b>    | –          |
| Home Care Fund   | <b>1,800,000</b>  | –          |
| Local Building Fund  | <b>3,151,523</b>  | 3,167,150  |
| Total restricted funds   | <b>5,302,523</b>  | 3,167,150  |
| Total funds  | <b>24,754,901</b> | 21,605,562 |
| Ratio of unrestricted funds to annual operating expenditure (times)* | <b>1.79</b>       | 1.86       |

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

- (i) The General Fund is set up to finance the operation of the Foundation and all other expenses to carry out the missions of the Foundation.
- (ii) The Local Relief Fund is set up to maintain donations (both tax deductible and non-tax deductible) received from the public to be utilised for the purpose of provision of financial/non-financial assistance to the needy so as to benefit the community in Singapore as a whole regardless of race, gender and religion.
- (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. The foundation has not utilized any amount of the fund during the year.
- (iv) IngoT Person-Centered Care ("PCC") Fund is donated to the Foundation with objective to support the subsidized services at Senior Activity Centres (SACs), 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. The foundation has not utilized any amount of the fund during the year.
- (v) During the year ended 31 December 2018, the Foundation has re-designated \$1.8 million from the local relief fund to a 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.

## 15. Accumulated funds (cont'd)

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.

## 16. Columnar presentation of statement of financial position

Majority of the assets and liabilities are attributable to the General and Local Relief Funds. 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.

## 17. 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>2018</b>   | 2017   |
|--|---------------|--------|
|  | <b>\$</b>     | \$     |
| Commitments to purchase of plant and equipment | <b>87,970</b> | 58,920 |

## 18. Operating lease payment commitments – as lessee

At the end of reporting year the total of future minimum lease payments commitments under non-cancellable operating leases are as follows:

|   | <b>2018</b>      | 2017      |
|---|------------------|-----------|
|   | <b>\$</b>        | \$        |
| Not later than one year                           | <b>517,357</b>   | 465,367   |
| Later than one year and not later than five years | <b>994,476</b>   | 274,670   |
| More than five years                              | <b>450,000</b>   | 500,000   |
| Total   | <b>1,961,833</b> | 1,240,037 |

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

|                                   |                |         |
|-----------------------------------|----------------|---------|
| Other operating expenses (Note 5) | <b>110,287</b> | 127,210 |
| Charitable expenses               | <b>511,288</b> | 514,976 |
| Total rental expenses             | <b>621,575</b> | 642,186 |

Operating lease payments are for rentals payable by the Foundation for its office premises and certain office equipment. The leases for certain office premises and office equipment are negotiated for an average term of two to five years.

Also, see Note 11.

## 19. Financial instruments: information on financial risks

### 19A. 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:

|   | <b>2018</b>       | 2017       |
|---|-------------------|------------|
|   | <b>\$</b>         | \$         |
| <b>Financial assets:</b>                |                   |            |
| Financial assets at amortised cost      | <b>23,771,516</b> | 20,777,312 |
| At end of the year                      | <b>23,771,516</b> | 20,777,312 |
| <b>Financial liabilities:</b>           |                   |            |
| Financial liabilities at amortised cost | <b>780,049</b>    | 664,672    |
| At end of the year                      | <b>780,049</b>    | 664,672    |

Further quantitative disclosures are included throughout these financial statements.

### 19B. 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.

### 19C. 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.

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

### 19D. 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 12 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.

### 19E. Liquidity risk– financial liabilities maturity analysis

All liabilities are due within a year.

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 (2017: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

### 19F. 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:

|                   | 2018              | 2017       |
|-------------------|-------------------|------------|
|                   | \$                | \$         |
| Financial assets: |                   |            |
| Fixed rates       | <b>18,331,663</b> | 16,592,567 |

Sensitivity analysis: The effect on surplus is insignificant.

### 19G. 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.

**20. Events after the end of reporting year**

Subsequent to the end of the reporting year the General fund and Local Relief Fund are merged into Charity Development Fund effective from 1 January 2019, with the objective of enhancing the efficiency and effectiveness of our fund management and operations. As such, all future donations made to the Foundation will go to the Charity Development Fund.

Charity Development Fund which is the merged fund of Local Relief Fund and General Fund effective from 1 January 2019, is to support the Foundation’s following causes that benefit the local communities:

- (a) Local charity programmes, such as emergency/long-term aid, healthcare and educational assistance to needy individuals and;
- (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.

**21. 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 reporting entity 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>SFRS No.</b> | <b>Title</b>  |
|-----------------|---|
| SFRS 109        | Financial Instruments   |
| SFRS 115        | Revenue from Contracts with Customers.<br>Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers |

## 22. 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 reporting entity 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 entity's financial statements in the period of initial application except as disclosed below.

| <b>SFRS No.</b> | <b>Title</b>  | <b>Effective date for periods beginning on or after</b> |
|-----------------|---|---|
| SFRS 116        | Leases and Leases - Illustrative Examples & Amendments to Guidance on Other Standards | 1 Jan 2019  |

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 lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be 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. For the entity's non-cancellable operating lease commitments as at 31 December 2018 shown in Note 18, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise 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 table below shows the amount by which each financial statement line will be impacted (debits / credits) by the application of the new standard on leases.

|   | <b>1 Jan 2019</b>         |
|---|---------------------------|
|   | <b>\$</b>                 |
| <b>Statement of financial position:</b> |                           |
| Right to use assets                     | <b>1,609,092</b>          |
| Lease liabilities                       | <b><u>(1,609,092)</u></b> |

1. Charity Registration Number: 1000
2. Registry of Society Unique Entity Number: S93SS0148C
3. Registered Address: 9 Elias Road Singapore 519937
4. Sector Administrator: Ministry of Social and Family Development (MSF)
5. Bankers: UOB, FCB, OCBC and CIMB
6. Auditor: RSM Chio Lim LLP  
Public Accountants and Chartered Accountants Singapore



**TZU CHI**  
**FOUNDATION**  
SINGAPORE