



靜思堂

慈濟  
TZU CHI  
SINGAPORE  
ANNUAL REPORT  
2017

Paving the Tzu Chi Path in Singapore with Love  
用爱铺路 深耕狮城

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## Our Founder

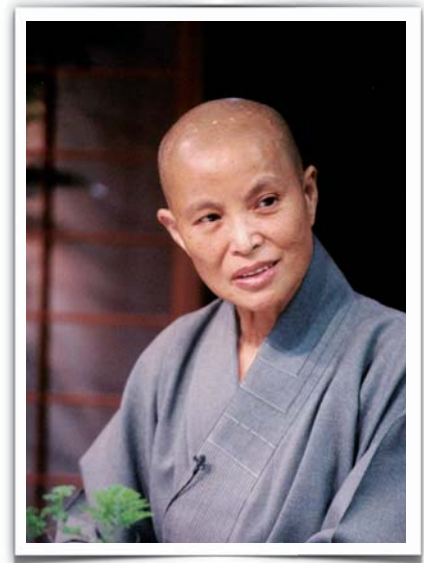
**D**harma Master Cheng Yen was born in 1937, in a small town in Central Taiwan, and she was adopted by her uncle and aunt when she was still a toddler. When she was around seven years old, she experienced the air raids that the Second World War brought upon the then Japanese-occupied Taiwan, and the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

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

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

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

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



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

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天 下 无 灾 无 难  
祥 和 社 会  
净 化 人 心

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## The Founding of Tzu Chi

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

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

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

誠 慈  
正 悲  
信 喜  
實 舍

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### 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.

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## Chairman's Message

Annually, as we usher in a new year, Tzu Chi's founder, Dharma Master Cheng Yen, will always remind us to bid the past year farewell with gratitude and to embrace every moment in the future with sincere piety. She hopes that we can live our lives to the fullest by seizing every moment to give of ourselves for others.

Master Cheng Yen said that Tzu Chi's cultivation path is akin to the Bodhisattva Path, where we actively practise the Six Paramitas. The first Paramita, "Giving", is about providing timely aid to those in need. It is not just about fulfilling material needs, but also the emotional and spiritual aspects. "Upholding Precepts" involves abiding by moral guidelines and avoiding evil. "Patient Endurance" is being able to bear with unpleasant and trying situations with tolerance and patience, while "Meditative Concentration" involves remaining untainted by negative influences. As we work hard daily and move forward with "Diligence", we will be able to grow in "Wisdom". Master Cheng Yen earnestly hopes that all Tzu Chi volunteers can practise the Six Paramitas in action, and develop an unwavering resolve to walk the Bodhisattva Path with courage and diligence.

In 2017, Tzu Chi Foundation (Singapore) continued to develop its Four Missions of Charity, Medicine, Education, and Humanistic Culture through the concerted love and support of numerous people. Many volunteers responded to our charity programme through active participation in monthly home visits. The Foundation also catered for the real needs of its beneficiaries, thus meeting the goal of deepening its charity efforts.



**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

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## 主席致词

Tzu Chi Foundation (Singapore)'s healthcare centres in Singapore saw steady growth with positive feedback from the public, and we plan to set up another Traditional Chinese Medicine clinic in the near future. The Tzu Chi Great Love PreSchool will be expanded to meet growing demands from the community, while the official website of Tzu Chi Singapore has undergone a revamp to provide an improved and user-friendly experience. More heartwarming stories and messages of kindness and compassion will be shared with the greater public.

It is impossible for one person to accomplish everything in the world. All our achievements are only made possible as a result of the combined efforts of the masses. Coming 2018, Tzu Chi Singapore will be celebrating its 25<sup>th</sup> anniversary. Since its inception, it has been upholding sincerity, integrity, good faith and honesty, while advocating the Buddhist values of loving-kindness, compassion, joy, and equanimity. Besides contributing to the development of the Missions, Tzu Chi volunteers in Singapore also actively promote a newly launched campaign "Save for a Good Cause". This campaign aims to inspire kindness in our society and encourage greater care for the world, thereby creating ripples of love through the combined contributions of many compassionate people.

In light of increasingly frequent disasters in today's world, we shall be grateful at all times for being blessed with peace and safety. I hereby express my gratitude to Tzu Chi Foundation (Singapore)'s board members, management, volunteers, donors, partners and employees, and sincerely hope that everyone will work together to bring about continued peace and happiness in Singapore.

每年在新年头、旧年尾交替的时刻，慈济创办人证严法师总是提醒我们要用感恩心送走过去每一天，以虔诚心迎接未来每个时刻，期盼每一位弟子要珍惜生命、把握当下，脚踏实地为人群付出。

证严法师说，慈济路，就是行菩萨道；菩萨道，就要力行六度。「布施」，在众生有困难时，我们及时肤慰，不仅付出财物，还能法施、无畏施；「持戒」，守好做人的规矩，防非止恶；「忍辱」，通达道理，心无计较；不受众生习气染着，如入「禅定」，日日「精进」向前，「智慧」就能成长。证严法师期许慈济人要身体力行，培养坚固道种，在菩萨道上勇猛精进。

回顾2017年，慈济基金会（新加坡）集聚众人点滴的爱心，拉起寸寸的长情，深耕慈善、医疗、教育与人文四大志业，成绩亮眼。「人人慈善计划」接引众多志工投入访视，见苦知福，接续更以「慈善深度化」为目标，给予照顾户真正的需求。四所医疗中心茁壮成长，深受民众好评，未来计划再增设一所中医诊所，提供更优质的服务。幼教中心学额供不应求，目前已在扩建中，而基金会官方网站在2017年改版，版面清新易读，让美善讯息传播的更远更广。

一个人做不了天下事，唯有集合众人之力才能做出最大的贡献。2018年是慈济基金会（新加坡）成立25周年，从当初少数人到现在的规模，一路走来，「诚正信实」、「慈悲喜舍」的精神理念都没有改变。今年除了巩固既有的志业发展，新加坡慈济志工也积极推动「百万好心人」运动，启发人人心中的善种子，鼓励大家关心天下事，汇聚觉有情人，把爱连绵地传出去。

宏观天下，灾难偏多，平安就是福，须时时念感恩。谨此感恩理事会成员、慈济志工、会员、捐助者以及合作伙伴长期的护持，希望大家携手相连，为新加坡的安乐与幸福共同努力付出。

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## CEO's Message

The year 2017 had swept past us in the blink of an eye. For this past one year, Tzu Chi Foundation (Singapore) has continued to reach out to the needy in Singapore with love, while living out the values of sincerity, integrity, good faith and honesty as taught by Dharma Master Cheng Yen. Besides helping the underprivileged and the sick, we also work towards inspiring kindness in our society by promoting a culture of giving and doing good.

Tzu Chi integrates its various resources and actively develops its Four Missions of Charity, Medicine, Education and Humanistic Culture, with the aim of better serving the needs of people and bringing about a harmonious and peaceful society. Looking back at 2017 for our Mission of Charity, we had served 738 beneficiary households nationwide, with more than 3,000 shifts of volunteers conducting home visits every month. We had also improvised our assistance schemes, in the hope to create a holistic approach in catering for the needs of our beneficiaries, together with the support from our Missions of Medicine and Education.

Our Seeds of Hope Financial Assistance Scheme, which includes Bursary and Meritorious Awards, was enhanced to better cater for the financial needs of needy school-going children of our beneficiaries. While the Bursary Awards help to provide financial support for the schooling needs of needy students, the Meritorious Awards serve to recognise and affirm their performance and talents. In addition, our volunteers spared no effort in helping the poor and sick through home visits, home cleaning and repairs, etc. as well as providing them with the much needed emotional support.

In our Mission of Medicine, Lakeside Family Medicine Clinic, which was taken over by Tzu Chi towards the end of 2016, has been receiving increasing positive feedback from the public. The clinic has provided 17,803 consultations and treatments in 2017. Our Free Health Screening and Medical Clinic was then refurbished into a Day Rehabilitation Centre, which provides physiotherapy and rehabilitation services to patients suffering from stroke, Parkinson's disease and/or pain in the back, neck and knees. Tzu Chi Home Care Services, a joint programme with the Agency for Integrated Care that was launched in April 2014, provides free home



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

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healthcare services to needy and immobile patients. It had served as many as 285 cases by March 2017 and received much commendation from the Agency.

We also plan to set up another Traditional Chinese Medicine clinic in Yishun to expand our reach to those in need. In addition, TIMA (Tzu Chi International Medical Association) Singapore, which has been established for 19 years, will be holding a Dental Conference in 2018. The event aims to share the concept of humanistic medical care with the dental healthcare professionals in Singapore to benefit patients, and to recruit more dental volunteers to serve the less fortunate. In light of the increasing number of needy dialysis patients referred to us by the agencies, we are increasing the budget of our assistance scheme for the kidney patients by one fold. We also provide complete care and support to these patients and their families by caring for their health as well as improving their living conditions.

It takes a good education system to build a harmonious and prosperous nation, and humanistic values are essential to nurture the morality of a society. In our Mission of Education, Tzu Chi Great Love PreSchool, which focuses on character education and teaching living skills, has been operating for four years and is well trusted by parents. Its current premises will be expanded in 2018, to accommodate 67 more students. To provide peace of mind through education and to share good values through humanistic culture have always been the goals of Tzu Chi. We hope to set up a childcare centre in every community in the future.

In our Mission of Humanistic Culture, Tzu Chi has, in response to the growing influence of digital media, revamped its official website to appeal to a greater audience. The new website will be launched at the beginning of 2018. We will share inspiring and positive news and stories as well as words of wisdom regularly through our website and social media platforms, such as Facebook, Instagram and WhatsApp.

Tzu Chi will continue to work diligently to manage its existing programmes and achieve the goals while expanding the depth and scope of each Mission. To commemorate our 25th anniversary in 2018, we will hold an exhibition to show our appreciation by showcasing the tireless efforts of the pioneers who had worked hard over the years, to pave a path of lasting Great Love locally.

Master Cheng Yen said, "Our lives lie in our hands. If we do not conscientiously use the present moment to give unto others and serve the greater good of society to the best of our abilities, we will be living an aimless life, akin to sleepwalking." In an effort to inspire greater kindness in society, we have launched a campaign "Save for a Good Cause" in September 2017, where our volunteers shared Tzu Chi's philosophy and Missions with the public to sow the seeds of love in more people. In 2018, we will continue to unite in love and actively promote our Missions of Charity, Environmental Protection, and Community Volunteerism. We hope to encourage more people to give their time and resources to help the underprivileged and to act responsibly in the care of our environment.

My heartfelt appreciation goes to Master Cheng Yen for establishing Tzu Chi, as well as to our board members, volunteers, donors, supporters, partners and employees. Tzu Chi Foundation (Singapore) is able to continue to grow and develop because of your generous support and continued trust in us. We believe that, as more and more people reach out to others, the number of people who need help will decrease, and the world will become increasingly peaceful. Our individual efforts will definitely inspire more people to give, and generate a virtuous cycle of lasting love and goodness in Singapore.



## 执行长致词

时间过得真快，辗转之间已经送走2017年。过去的一年，慈济基金会（新加坡）秉持创办人证严法师「为佛教、为众生」及诚信信实的教诲，继续「用爱铺路，深耕狮城」。除了济贫教富，济助贫病患者及有需要帮助的人群，也教富济贫，努力接引及整合各方资源，在慈善、医疗、教育及人文四大志业，勤奋耕耘，以期利益众生、祥和社。

检视2017年，我们在全岛共有738个照顾户，每个月有超过3000人次志工投入居家访视。我们把慈善的根扎更深，结合医疗、教育等支持，给予照顾户更全面的需要。我们将原本的新芽助学金计划转型为助养金及奖励金，助养金补助照顾户家庭孩子的求学所需，奖励金则表扬孩子们在各领域的表现，陪伴孩子以教育来脱贫，翻转人生。此外医疗往诊、打扫、修缮屋子到精神的抚慰及引导，志工不遗余力援助苦难众生。

在医疗志业领域，由慈济接管的湖畔全科医疗诊所，在2016年底开始营业后获得好评，全年的病患达到17803人次。原来的慈济义诊暨健检中心也转型为日间康复中心，提供物理治疗及复建等服务，为中风、帕金森氏症以及背痛、颈痛和膝盖疼痛的患者带来福祉。慈济基金会和卫生部属下的护联中心携手合作的“慈济居家医护服务”项目，自2014年4月开始为岛国西部的贫病居民提供免费居家医护。2017年3月已达到285次案例，获得护联中心的赞许及支持，让病友安身，也让家属安心。

好的教育成就社会的力量，人文是社会清流也是道德的响钟，成立四年多的大爱幼教中心深受家长信赖，即将在2018年扩建，并增加67位学额。因应现代人使用网路科技的习惯，在2017年，我们将慈济的官方网站做改版，通过官方、社交及主流媒体，让真实的好人好事、智慧话语广泛的传播出去，成为清净心灵的力量，造就美好友善的社会。



慈济基金会（新加坡）  
执行长刘瑞士

展望2018年，除了延续当前的目标计划，也逐步拓展深度及宽度。面对政府转介的洗肾个案大幅增加，慈济也将增列预算补助，并深入洗肾患者家庭做全方位关怀，照顾病友的身体，也帮助家庭环境的改善。

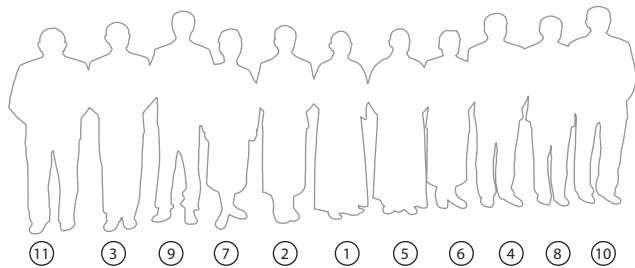
在医疗部分，为了召集更多牙医及护理人员，已经成立19年的新加坡慈济人医会将在2018年举办牙科论坛，透过论坛的交流，传达慈济医疗人文，鼓励大家一起付出奉献，为新加坡居民谋取更多福祉。

教育安心，人文弘法，在各社区设立幼教中心是慈济的目标，我们会继续努力前进。慈济基金会（新加坡）于2018年圆满25年，将会举办25周年志业成果展，透过人文作品的呈现，在回顾过去筚路蓝缕的艰辛中，开启无限的长情大爱，让善法永续狮城。

证严法师曾说，「生命掌握在自己手中，若没有用心当下，不懂得尽本分为人群付出，此迷迷糊糊的人生，如同梦游。」为了启发更多人的善念，我们从2017年6月推动「百万好心人」运动，慈济人透过爱洒募心，把爱的种子撒播出去。在2018年我们将全力积极推动，让「大爱共伴有情天，寸步铺路护大地」，期许人人都能关心社会与环境，为人群付出，成为愿意利他、助人的好心人。

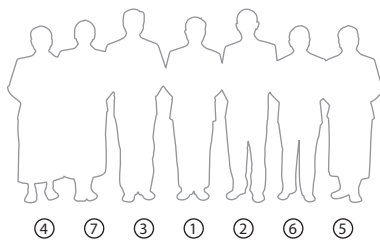
感恩证严法师创造慈济世界，也感恩理事会成员、慈济志工、会员、捐助者以及合作伙伴，因为有大家的护持，才能支持慈济基金会（新加坡）不断成长。我们相信，当助人的人愈来愈多，被帮助的人就愈来愈少，地球就会越平安。期待因为你、我、他的付出，启发更多人愿意付出，让爱的循环永不间断。

# Board of Directors



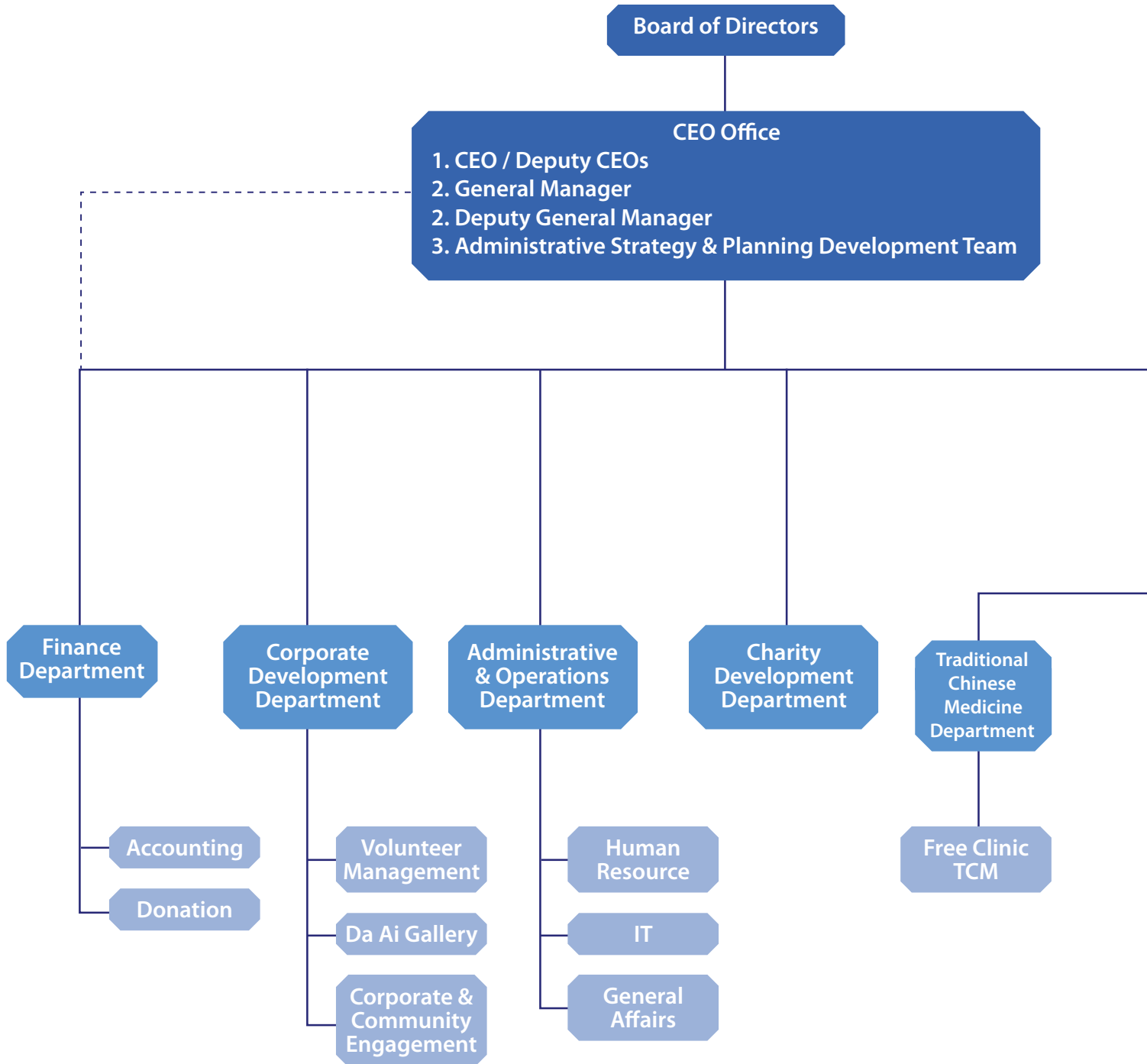
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|--------------------|----------------------------|
| 1. Toh Kim Kiat    | <i>Chairman</i>            |
| 2. Yan Su Yuan     | <i>Secretary</i>           |
| 3. Sim Sem Peng    | <i>Assistant Secretary</i> |
| 4. Ong Wee Heng    | <i>Honorary Treasurer</i>  |
| 5. Chang Horng Lin | <i>Member</i>              |
| 6. Lin Pi-Yu       | <i>Member</i>              |
| 7. Lin Su-Yin      | <i>Member</i>              |
| 8. Liu Ming-Ta     | <i>Member</i>              |
| 9. Teo Chee Seng   | <i>Member</i>              |
| 10. Sim Hee Chew   | <i>Member</i>              |
| 11. Ng Chuan Lim   | <i>Member</i>              |

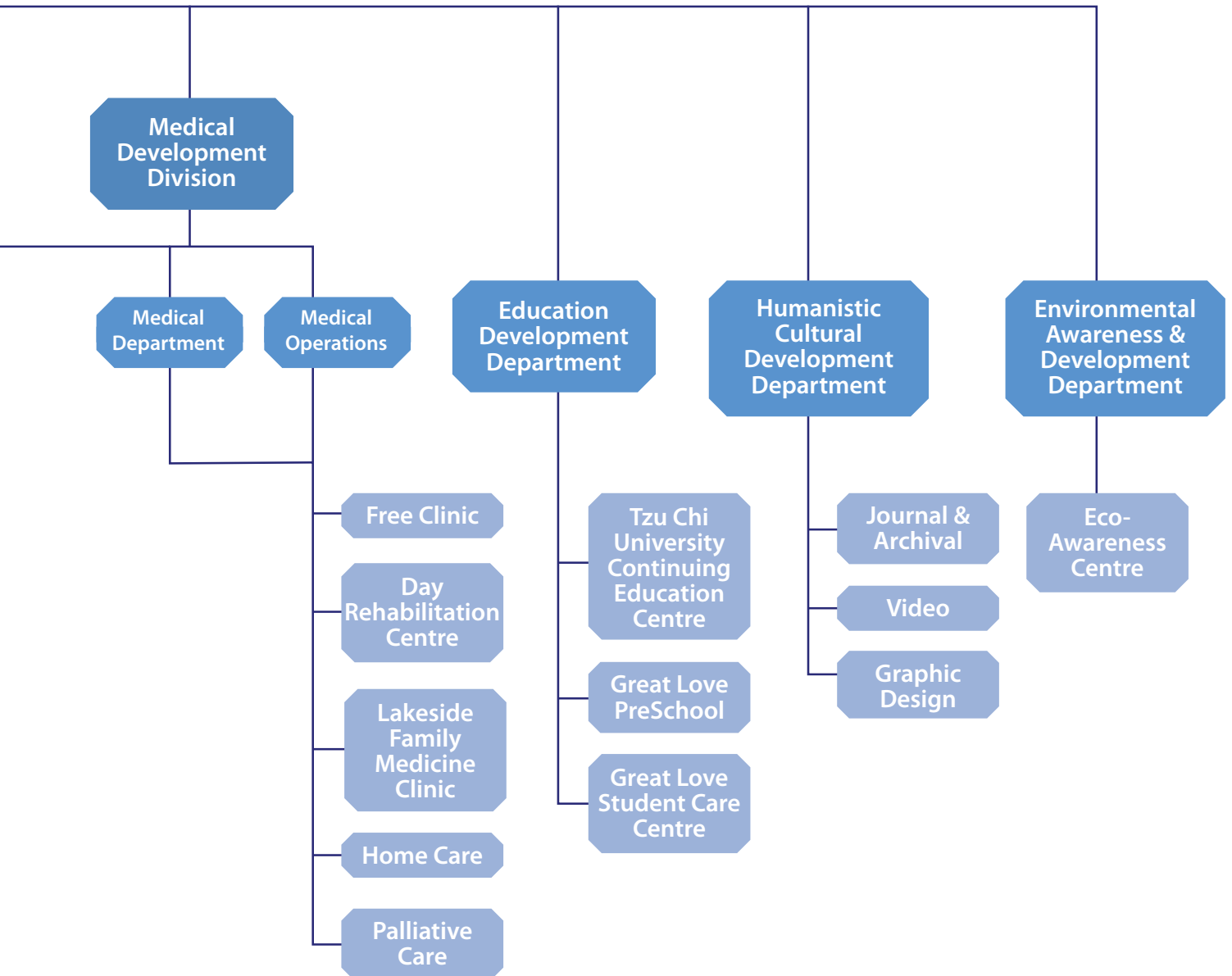
# Management Committee



- |                    |                                       |
|--------------------|---------------------------------------|
| 1. Low Swee Seh    | <i>Chief Executive Officer</i>        |
| 2. Khoo Kean Yee   | <i>Deputy Chief Executive Officer</i> |
| 3. Tan Chai Hoon   | <i>Deputy Chief Executive Officer</i> |
| 4. Susi            | <i>Deputy Chief Executive Officer</i> |
| 5. Lo-Hsu Hsueh Yu | <i>Deputy Chief Executive Officer</i> |
| 6. Keng Lim        | <i>General Manager</i>                |
| 7. Boh Shuhui      | <i>Deputy General Manager</i>         |

# Organisational Structure





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# Tzu Chi Singapore at a Glance

## Overview of 2017 and statistics

The Mission of Charity is Tzu Chi Foundation (Singapore)'s fundamental mission, where a variety of charitable programmes are being developed and established to meet the most urgent societal needs locally. The programmes serve to fill the gaps where existing government resources may be lacking and meet the needs of the marginalised in society, regardless of their race, language or religion.

In 2017, Tzu Chi actively promoted a charity initiative that was launched in 2016. The initiative aimed to encourage every volunteer to reach out to the needy (our aid/care recipients) to bring relief to their suffering. With this goal in mind, the first Sunday of every month was officially designated as "Charity Day". Using a systematic approach, there has been a steady increase in the number of volunteers who participated in Charity Day since its launch.

Tzu Chi has achieved two milestones in its Mission of Medicine in 2017. Its first milestone was the conclusion of a three-year programme with the Agency for Integrated Care (AIC) for the provision of home care services to underprivileged homebound patients referred by the AIC. The number of patients Tzu Chi attended to in the three years met the target set by the AIC. After the joint programme ended in April 2017, Tzu Chi started a new chapter by continuing to provide home care services to low-income families as an independent service provider.

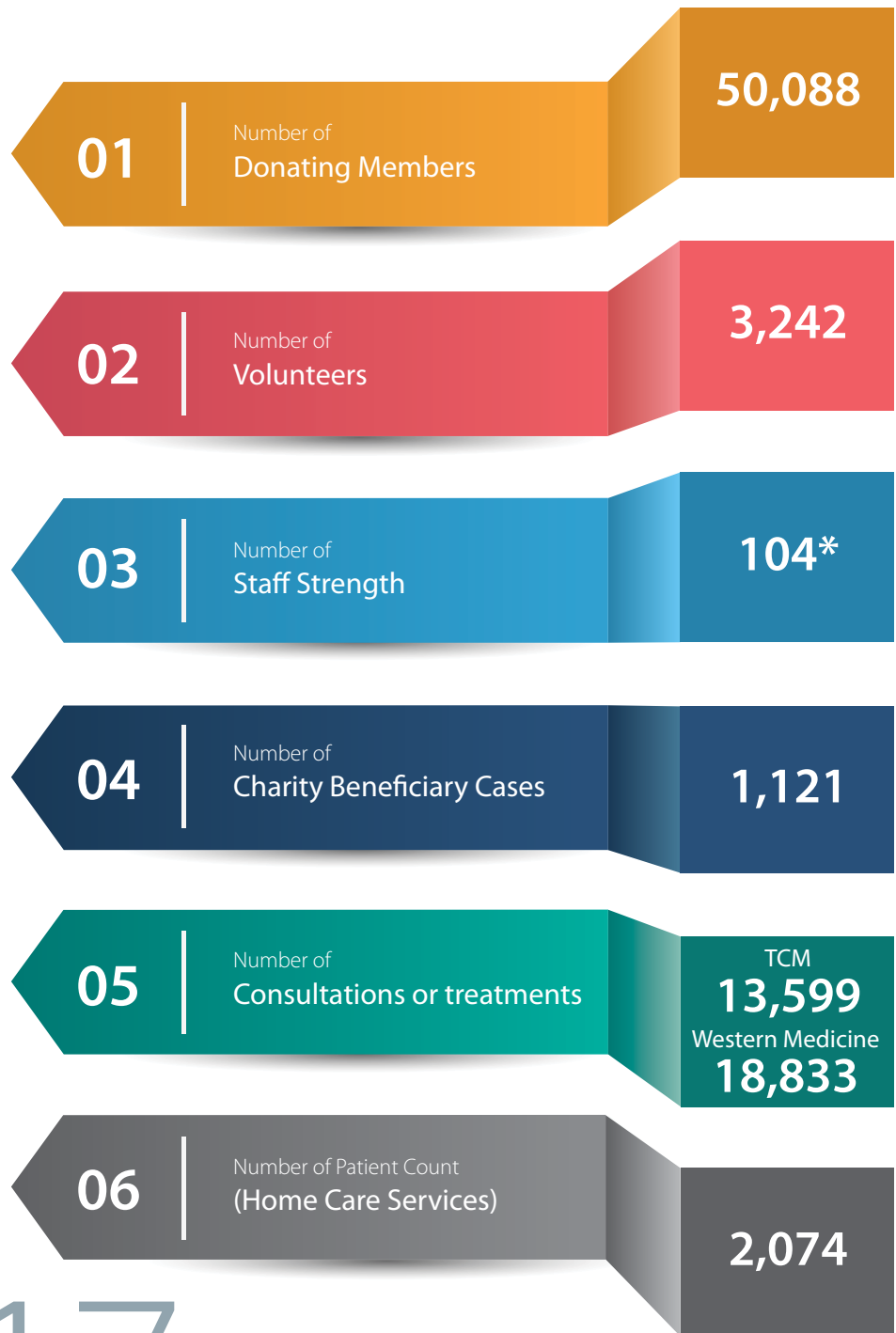
Over the last three years, Tzu Chi had discovered through its Home Care Services, that there were many sufferers of chronic diseases, especially among the elderly, who can effectively delay or improve their chronic conditions through physiotherapy. In the same month, Tzu Chi refurbished its Free Health Screening and Medical Clinic into a Day Rehabilitation Centre. This was the second milestone in its Mission of Medicine in the year.

In the Mission of Education, Tzu Chi Great Love Student Care Centre welcomed its first batch of students in January 2017. Located in a beautiful colonial house along Queen's Avenue in Sembawang, the Centre focused on teaching its students independent living skills, and helping them to cultivate good habits as well as to develop self-reliance and self-confidence. Extra-curricular classes, such as flower arrangement, tea art, making snacks, and art & craft were also conducted periodically to enrich the students' learning experience.

Tzu Chi had also made progress in its Mission of Environmental Protection by establishing two more recycling points, bringing the total number of recycling points to 39 island-wide. In 2017, there was an increase in collaborations with like-minded organisations and educational institutions, such as the Public Utilities Board and ITE College Central respectively.

To mark its 24<sup>th</sup> Anniversary, Tzu Chi Singapore officially launched the "Save for a Good Cause" campaign by encouraging volunteers to "recruit" one million "kind souls" (i.e. donors). This campaign encourages everyone to give rise to a kind thought and save a dollar into their coin banks daily for a period of 100 days. The inspiration came from the "Bamboo Bank Era", which symbolises Tzu Chi's indomitable spirit in its early beginnings on the rural and impoverished east coast of Taiwan. Through this campaign, Tzu Chi aspires to create harmony in the society by deepening the roots of Great Love, and inspiring kindness and love in communities in Singapore.

For its other two Missions, Humanistic Culture and Community Volunteerism, Tzu Chi remains committed to achieving the stipulated objectives.



# 2017 Statistics

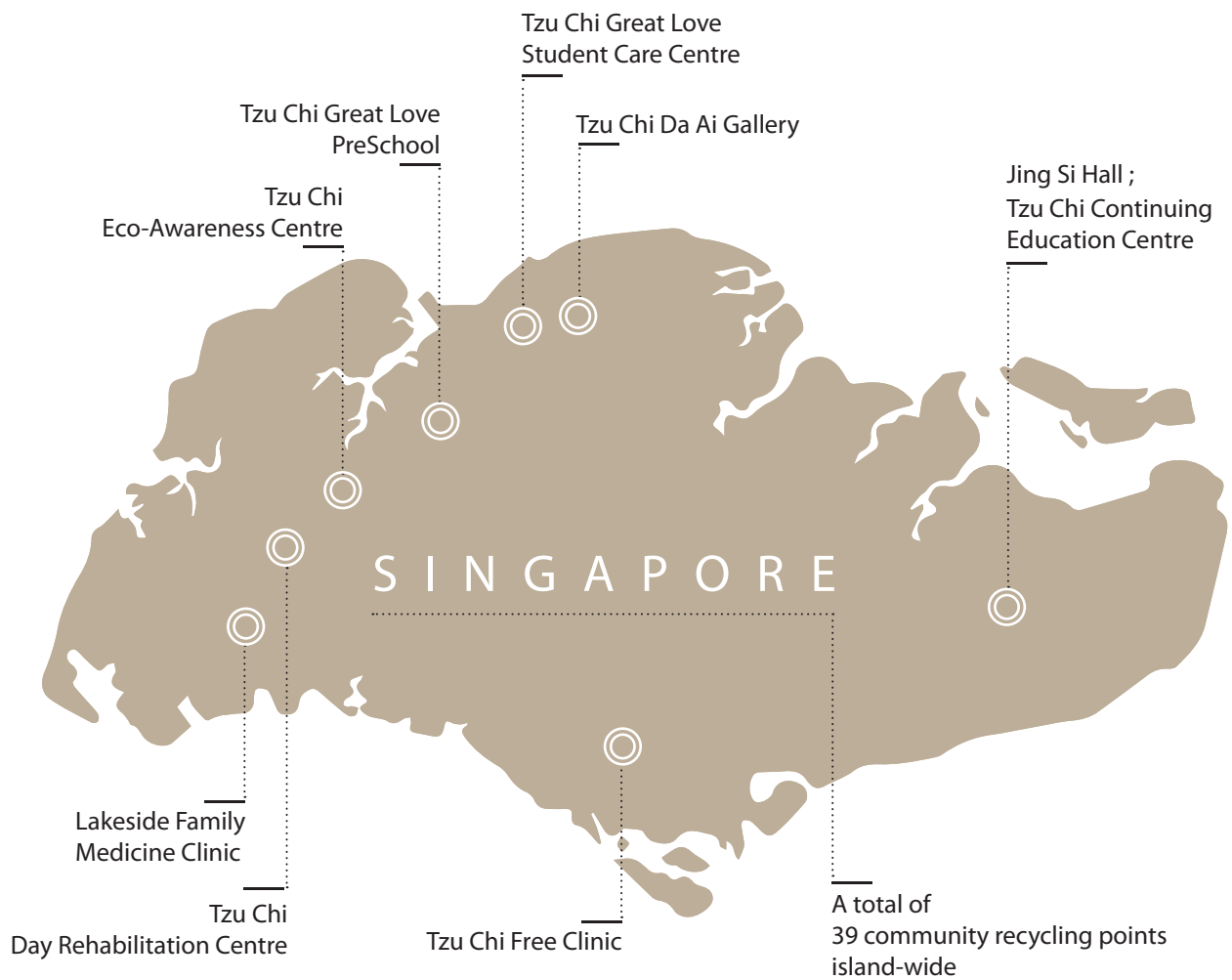
\* One employee with annual remuneration above \$100,000 per annum



# Map of Services



# Map



# of Services



## Mission of charity

“ *In addition to love, it takes wisdom and good methods to do good deeds.*”

~ Master Cheng Yen, founder of Tzu Chi

Located in multi-racial and diverse Singapore, Tzu Chi Foundation (Singapore) provides aid and care to the needy, regardless of race, language or religion. Our beneficiaries range from kidney patients requiring short-term assistance to needy households that need long-term care and financial aids. Each month, our volunteers will visit all our beneficiaries and care for them in the spirit of compassion and Great Love.

The annual festive celebrations held at the Jing Si Hall are events highly anticipated by our beneficiaries. The programme for these celebrations includes free haircuts, live performances, and meal gathering, etc. From 2017 onwards, festive

celebrations are held separately to cater for the different culture of the beneficiaries from the three main racial groups — Chinese, Malays and Indians respectively. In such an event, the venue decorations, live performances and meals are customised to suit the festive season being celebrated. Gifts packs are also distributed to the attendees to wish them festive joy and blessings.

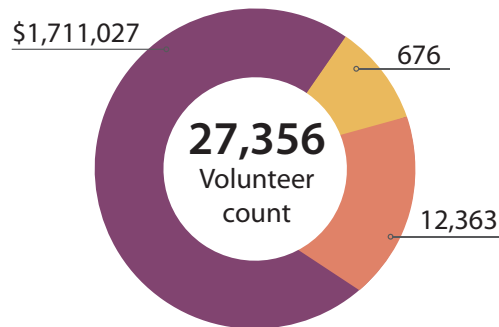
The Mission of Charity is the cornerstone of Tzu Chi. In 2016, we launched our monthly “Charity Day” programme, where volunteers island-wide are mobilised to conduct home visits in a more organised and effective manner. In 2017, we enhanced the “Seeds of Hope Financial Assistance

Scheme”, which provides monthly allowances to needy school children of our beneficiaries; thus providing care to these families in a more comprehensive and complete approach. Through the monthly home visits, our volunteers encouraged the students to study hard, cultivate a positive character and virtues, be brave to follow their dreams, and work towards a bright future. Besides, we also extended our bursary programme to four tertiary institutions, and many of the student recipients took the initiative to take part in Tzu Chi’s charitable activities to give back to the society.

Everyone can nurture Great Love in their hearts irrespective of their financial status. Under the encouragement of Tzu Chi volunteers, many of our beneficiaries support our “Save for a Good Cause” campaign by saving daily to help others in need.

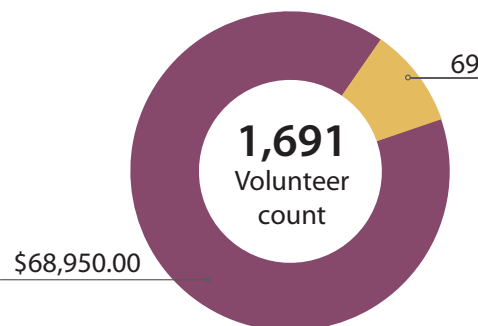


### FINANCIAL ASSISTANCE PROGRAMME



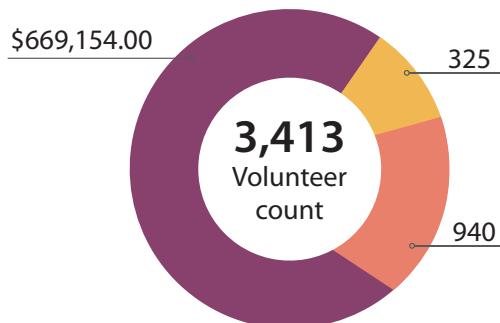
- Total value of aid distributed
- Total beneficiary headcount
- Number of cases assisted

### SEEDS OF HOPE PROGRAMME



- Total value of grants
- Number of assisted cases

### DIALYSIS ASSISTANCE PROGRAMME



- Total value of aid distributed
- Total beneficiary headcount
- Number of cases assisted



## Mission of Medicine

“Doctors should not only treat patient’s illnesses, but look after their psychological needs as well.”

~ Master Cheng Yen, founder of Tzu Chi

In light of the aging population in Singapore, Tzu Chi Foundation (Singapore)’s Mission of Medicine has gradually adjusted its focus to place more emphasis on the treatment of chronic diseases and the provision of home medical services, with the hope of reaching out to the elderly and delivering quality medical care to them.

Tzu Chi Free Clinic, which was established in 2008, provides free family medicine, Traditional Chinese Medicine and dental services to needy patients. Since January 2017, the free dental services, which were formerly available only on Sundays, have been made available from Monday to Thursday every week. The number of patients treated increased by 1.5 times in the same year.

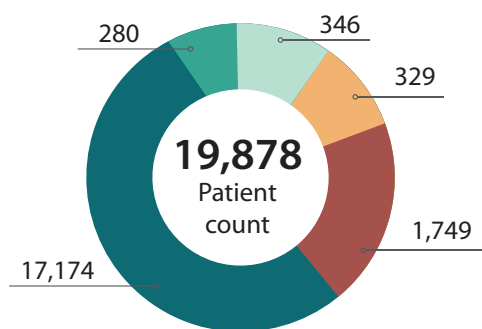
Towards the end of 2016, we took over the operations of Lakeside Family Medicine Clinic, which now focuses on treatment and care for chronic diseases. The family medicine section of the former Tzu Chi Free Health Screening and Medical Clinic was relocated to the Lakeside Family Medicine Clinic, and the vacated space was refurbished into the Tzu Chi Day Rehabilitation Centre. The Rehabilitation Centre, which started its operations from 1 April 2017, provides physiotherapy mainly to elderly residents residing in the west zone of the island, helping to improve or slow down the development of their conditions.

Tzu Chi Home Care Services, a joint programme with the Agency for Integrated Care (AIC), which started in 2014, was brought to a conclusion in 2017. During the three-year period, the programme served 285 cases, which met the target set by the AIC. Subsequently, we continue to provide home healthcare services to low income families in our own capacity. In the spirit of the ongoing partnership, AIC continues to refer cases to Tzu Chi, which is now an independent service provider.

Our dental team from the Tzu Chi International Medical Association (TIMA) also reached out to nursing home patients by delivering free dental services at their bedside. Their efforts have benefitted 100 patients in Lee Ah Mooi Old Age Home over five visits. In addition, the TIMA TCM team provided home TCM services to our aid beneficiaries in need of TCM treatment, and there was a 50% increase in the number of such cases in 2017.

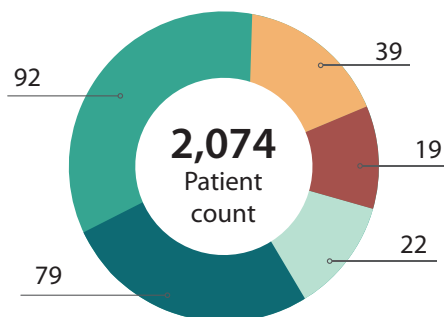


**LFMC AND FREE CLINIC (HEALTHCARE SERVICES)**



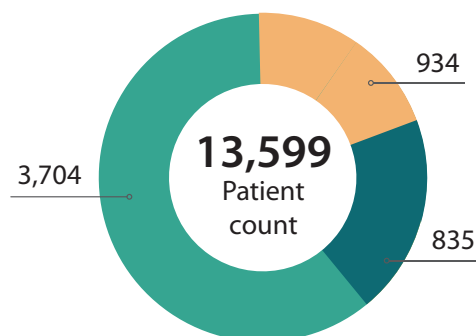
- Internal Medicine
- Physiotherapy
- Diabetic Foot Screening (DFF)
- Diabetic Retinal Photography (DRP)
- Dental

**Tzu Chi Home Care Services**



- Home Medical
- Home Nursing
- Home Palliative
- Home Therapy
- TCM Home Visits

**TCM Free Clinic Services**



- Pharmacist count
- Volunteer count
- Medical Personnel count

**Day Rehabilitation Centre**





## Mission of Education

“*Love the children of others with the love of a mother, and love our own children with the love of a Bodhisattva.*”

~ Master Cheng Yen, founder of Tzu Chi

The Tzu Chi Great Love PreSchool, which was established in 2014, is a childcare centre that aims to provide a holistic education that focuses on character building and inculcating living skills. The philosophy and quality of its education have gained confidence and trust among parents. In the year following its establishment, it has reached its enrolment target of 86 students.

In 2016, the childcare centre became a SPARK-certified preschool, recognised for its continued efforts in providing quality teaching, a well-designed curriculum, a clean and safe environment for children, etc., as well as adopting effective

teacher management practices. We place a strong emphasis on “nurturing students by imparting propriety and virtues” through creating an environment imbued with humanistic culture.

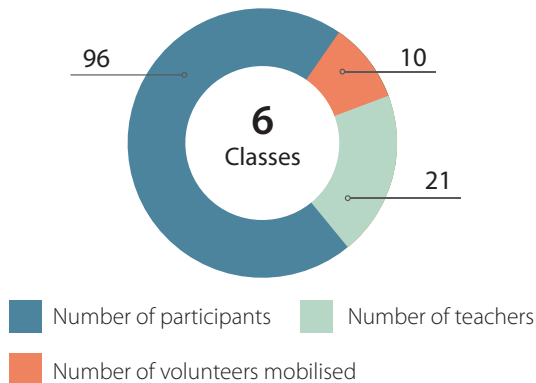
In 2017, the PreSchool actively promoted vegetarianism and environmental protection, through a series of interesting and fun activities themed “Fruit and Vegetable Planet”. Parents were also invited to participate in the activities where they learned how a vegetarian diet benefits the body and mind as well as the environment.



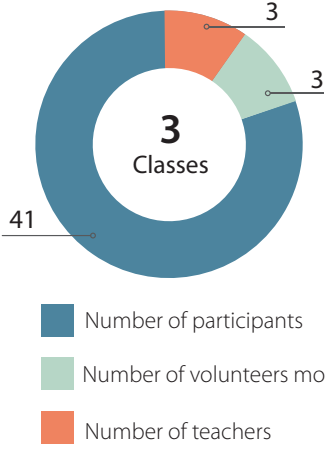
The Tzu Chi Great Love Student Care Centre is another education arm of our Mission of Education. Officially in operation since 3 January 2017, the Centre provides after school care services, including transportation, healthy vegetarian meals, tuition, etc. Located in a beautiful black and white colonial building along Queen's Avenue and surrounded by tranquil greenery, it provides the children with opportunities to get close to nature after schooling hours.

The students of our student care centre come from 17 primary schools in the north district. Besides being inculcated in Tzu Chi's humanistic values, the students also attended various artistic and extra-curricular classes, such as tea art, floral arrangement, environmental conservation, etc. During the school holidays, creative writing classes and other workshops were offered to provide a diverse learning experience for the children.

**Tzu Chi Great Love PreSchool**



**Tzu Chi Great Love Student Care Centre**



**Tzu Chi Parent-Child Bonding Class**



**Tzu Chi Teenagers' Class**



**Tzu Chi Collegiate Youth Association**



**Tzu Chi Great Love Mothers**



**Tzu Chi Teachers' Association**







## Mission of Humanistic Culture

“A word is like a ferry. We need to properly use this ferry if we wish to reach the other shore of peace and joy.”

~ Master Cheng Yen, founder of Tzu Chi

The Tzu Chi Da Ai Gallery, which officially opened in May 2016, is beautifully restored from a majestic black and white colonial house that sits in an oasis of greenery along Queen's Avenue in Sembawang. Cleverly designed around the existing building structure, it conveys an atmosphere of peace and tranquility, and includes exhibits that chronicle the history of Tzu Chi around the world as well as its latest news and developments. There is even a multimedia room, and along the four corridors circling the house, there are four quiet reading spaces. The gallery cleverly employs the use of text, pictures, audiovisuals, as well as life-like replicas, to depict how Dharma Master Cheng Yen tirelessly led a global family of Tzu Chi volunteers through a 50-year journey of selfless Great Love.

As Tzu Chi's first Da Ai Gallery in the world, it was curated and planned with much careful consideration. Not only does the Gallery serve as an ideal training ground and a source of inspiration and motivation for volunteers, it also serves as a showcase of compassionate love to curious visitors. To date, it has attracted visitors of diverse age, religious and racial groups, and social backgrounds.

The Tzu Chi Da Ai Gallery serves as a respite from the hustle and bustle of city life. Besides taking a break from their busy lives, visitors to the Gallery can learn about Tzu Chi's footprints of Great Love around the world spanning over half a century. Since its opening in May 2016, the Gallery has received 127 groups locally and from overseas, totaling 2609 visitors.

585 Tzu Chi Foundation (Singapore) volunteers took turns to serve as docents at the Gallery, sharing with visitors moving real life news and stories in the world of Tzu Chi. Both existing and new Tzu Chi employees and volunteers learned much from visiting the Gallery, gaining a deeper understanding in the compassion and conviction of Master Cheng Yen. Many were inspired to get involved in Tzu Chi's Missions, to serve as volunteers and work to benefit themselves as well as others.



Our Mission of Humanistic Culture also strives to promote the “truth, beauty, and goodness” of humanity through various forms of media, including publications, digital and social media platforms, etc. Over one and a half years of planning and preparation, our Humanistic Cultural Development Department reorganised the various types of news and information under the Tzu Chi Foundation (Singapore) and Tzu Chi Merit Organization (Singapore), with the aim of providing a more complete presentation of the Tzu Chi Path and Dharma Lineage. The revamped official website of Tzu Chi Singapore is scheduled to be launched in January 2018.



Backed by a more advanced and safer web system, the new website will boast a responsive design that provides a user-friendly experience on smartphones, tablets, as well as computers. Besides offering news and information in both English and Chinese, the website will have a clear and comprehensive content structure, which includes detailed introductions to various Tzu Chi Missions and establishments. It will not only provide an enhanced reading experience to all viewers, but also allow Tzu Chi's messages of human beauty and kindness to be spread more widely and effectively to the public.



# Mission of Environmental Protection

“ Human beings are nurtured by all kinds of things produced and grown on the Earth, so we must care for our natural resources with gratitude and allow the Earth to maintain its beauty”

~ Master Cheng Yen, founder of Tzu Chi

Through the continued, relentless efforts of our recycling volunteers, we have established 39 community recycling points island-wide and an Eco Awareness Centre in Woodlands, which has received over 450 visits in 2017, excluding walk-ins. Apart from performing recycling work quietly behind the scenes, our volunteers also actively promoted environmental protection to the public, encouraging people to join our recycling efforts, in the hope of making recycling a way of life in the community.

The community recycling points are usually set up in densely populated neighbourhoods, and operate in the morning on the second Sunday of each month. On this day, Tzu Chi Foundation (Singapore) volunteers will lead and guide residents in sorting recyclables for recycling. Parents will bring their children to the recycling points to learn how to sort recyclables, while schools and other organisations will also organise visits to these venues to facilitate their students or employees in learning about environmental protection.

Tzu Chi is also being invited frequently to participate in major national events to promote environmental awareness to the public. This is an affirmation of our efforts in environmental protection, and it allows our volunteers opportunities to share environmental knowledge and green practices with more people.

In conjunction with the World Water Day (2017), the Public Utilities Board (PUB) worked together with over 400 partnering organisations to conduct a month-long activities and events to promote water conservation island-wide. Being one of the PUB's partners, Tzu Chi actively promoted the importance of conserving water at its various community recycling points.

Tzu Chi's recycling efforts also inspired a group of students from ITE College Central to invent an "eco-cycle" that could crush aluminum cans for recycling. The can-crushing machine has won an award from the National Environment Agency (NEA). As the college's collaborative partner, Tzu Chi received the award together with the students at the launch ceremony of the Clean & Green Singapore Carnival (2017).



**431,421kg**  
Total amount of paper  
recyclables collected in 2017



**8628**  
Number of 20-year-old  
trees saved





## Mission of Community Volunteerism

“One thousand eyes see the world of suffering and one thousand hands reach out to help.”

~ Master Cheng Yen, founder of Tzu Chi

Community Volunteerism is a unique feature of Tzu Chi Foundation (Singapore). Volunteers are located island-wide and divided into four different zones based on their residential addresses. They encourage and lead residents in their neighbourhoods to join the ranks of Tzu Chi volunteers in helping out with recycling, caring for the elderly and underprivileged, etc. Zone volunteer leaders also organise monthly gatherings to build the community spirit by bringing everyone closer. In the event of a disaster or accident, Tzu Chi volunteers living in the vicinity will spring into action to provide support and assistance to those affected.

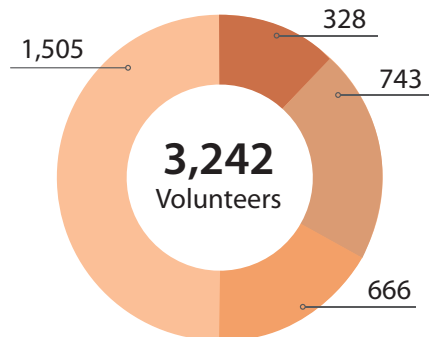
The model of Community Volunteerism has been implemented since the end of 2005, and Dharma Master Cheng Yen hopes that Tzu Chi can deepen its Missions of Education and Humanistic Culture in prosperous and stable Singapore. Through inspiring kindness in more people and encouraging everyone to do good, we can sow more blessings for our homeland and create a collective cycle of goodness in our society.

As Tzu Chi Singapore marked its 24<sup>th</sup> anniversary in 2017, our volunteers went all out to promote the “Save for a Good Cause” campaign, by encouraging the public to save a little each day in a Tzu Chi Bamboo Coin Bank to help those in need. Trainings and gatherings were held to guide both our employees and volunteers to introduce Tzu Chi’s Missions and philosophy to their family and friends, and help raise funds for our charitable programmes.

Our volunteers seized every opportunity to share about Tzu Chi through house-to-house visits in the community and also visitations to corporations. Apart from promoting the spirit of Great Love through inspiring and true stories of good deeds, they also encouraged people to adopt a Bamboo Coin Bank to give rise to a kind thought each day and put it into action.

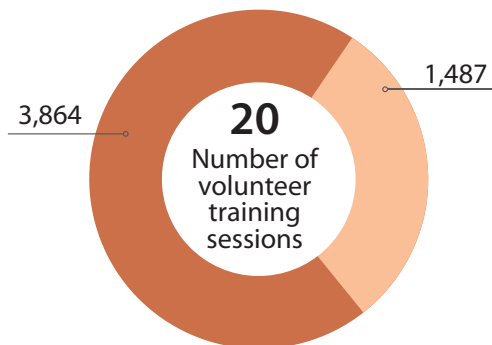


**Community Volunteerism**



- Grey uniform volunteers
- Certified volunteers
- Trainee volunteers
- Attachment volunteers

**Volunteer Training**



- Participants count
- Volunteers on duty

**Donating Members**



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# CORPORATE GOVERNANCE

## Board of Directors

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

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

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

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

As part of Tzu Chi'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 2017. 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 current Board term is from 1 July 2016 to 30 June 2018. The Board held a total of three meetings in financial year 2017:

Dates of Board Meetings	Attendance (%)
10 April 2017	72.7%
26 June 2017	90.9%
20 December 2017	81.8%

Directors' attendance at Board Meetings (for the financial year ended 31 December 2017)		
Name of Director	No. of meetings held	No. of meetings attended
Toh Kim Kiat (Chairman)	3	3
Chang Horng Lin	3	3
Ong Wee Heng	3	1
Lin Pi-Yu	3	3
Lin Su-Yin	3	3
Ng Chuan Lim	3	3
Sim Hee Chew	3	3
Sim Sem Peng	3	3
Yan Su Yuan	3	3
Teo Chee Seng	3	2
Liu Ming-Ta	3	0



# CORPORATE GOVERNANCE

Board members who have served for over 10 consecutive years (By 30 June 2018)

No	Name	Duration of service	Reasons
1.	Toh Kim Kiat (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 board 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 year.

### *Sub-Committees from 1 January 2017 to 31 December 2017*

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

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

Fundraising Committee	
Chairman	Sim Hee Chew
Member	Low Swee Seh
Member	Ng Chuan Lim
Member	Keng Lim @ Lim Wei Kheng
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

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

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

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# CORPORATE GOVERNANCE

The activities of each of the Sub-Committees during the financial year are as follows:

1. Audit Committee

The 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.

The Audit Committee also reviewed the updated Conflict of Interest Policy and Whistle-Blowing Policy during the financial year.

2. Fundraising Committee

The Fundraising Committee developed and suggested Tzu Chi's annual fundraising programme to the Board, which include the objectives, contents and budget of each activity. The Committee also reviewed the donation management system and collection procedures periodically.

During the financial year, a fundraising team was set up which initiated "Save for a Good Cause" campaign by encouraging everyone to give rise to a kind thought each day and, as a gesture of donation, save a dollar into their coin banks daily. As suggested by the Committee, online donation and mobile application "Tzu Chi Buddies" were also developed to exponentially spread the word about the good cause to the masses.

3. Human Resource Committee

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

The Committee also emphasised the importance of staff training, clear and well-articulated work standards, and performance rating.

4. Investment Committee

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

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, 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 Tzu Chi.

6. Programmes Committee

The Programmes Committee oversaw and reviewed the activities, programmes and projects conducted in 2017 to ensure that they comply with the existing government laws and are consistent with Tzu Chi's missions and objectives. The Committee also conducted assessments of the effectiveness and performance of the various programs and activities held. A team was set up to co-ordinate the efforts of various departments and volunteer groups so that resources are effectively and efficiently utilised to plan financial year 2018's programmes and projects.

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# CORPORATE GOVERNANCE

## Governance Evaluation and Policies

### ~Governance Evaluation~

Annually, Tzu Chi performs the online governance evaluation on the extent of its compliance with the essential guidelines in the Code of Governance for Charities and IPCs via the charity portal. The Governance Evaluation Checklist for the period 1 January 2017 to 31 December 2017 can be viewed on the Charity Portal ([www.charities.gov.sg](http://www.charities.gov.sg)) after 30 June 2018.

### ~Conflict of Interest Policy~

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

The policy was reviewed and updated during the financial year.

### ~Whistle-blowing Policy~

In financial year 2017, Tzu Chi adopted the external auditor's recommendation to enhance the Whistle Blowing Policy and through which, employees, 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 employees, volunteers and external parties may raise concerns or observations on any suspected wrongdoing through email to the 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 provide financial stability and serve to meet future increases in operating expenses as a result of expansion and development. The Board of Directors reviews the level of reserves regularly for Tzu Chi's continuing obligations.

In accordance with our investment policy approved by the Board, a major part of the reserves is placed in local banks with the objective to retain the purchasing power of the funds while ensuring sufficient liquidity for operational contingencies.

**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 2017

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## Statement by Directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") as at 31 December 2017 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

(12 June 2018)

# 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 2017, and the statement of financial activities, statement of changes in accumulated funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and the Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2017 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 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)

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### **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

(12 June 2018)

## 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
<b>Total incoming resources</b>	<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	5,535,990	425,180	7,475,603	–	7,475,603
Administrative costs	1,341,736	770,817	73,287	2,185,840	50,030	2,235,870
<b>Total resources expended</b>	<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
<b>Balance at 31 December 2017</b>	<b>7,855,714</b>	<b>10,582,698</b>	<b>–</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 Activities

For the Reporting Year Ended 31 December 2017

2016	Unrestricted funds			Restricted funds		Total
	General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	
<b>INCOMING RESOURCES</b>	\$	\$	\$	\$	\$	\$
Voluntary income	1,334,205	3,976,226	–	5,310,431	–	5,310,431
Charitable activities income	1,417,033	212,134	–	1,629,167	–	1,629,167
Funds generating activities	118,505	956,624	–	1,075,129	–	1,075,129
Interest income	66,766	83,546	–	150,312	44,571	194,883
Sundry income	311,515	50,604	–	362,119	–	362,119
Government grant	–	531,055	214,624	745,679	–	745,679
Amortisation of deferred capital grants	39,462	9,217	54,471	103,150	–	103,150
Total incoming resources	<b>3,287,486</b>	<b>5,819,406</b>	<b>269,095</b>	<b>9,375,987</b>	<b>44,571</b>	<b>9,420,558</b>
<b>RESOURCES EXPENDED</b>						
Costs of generating voluntary income: fund raising	248,346	191,693	–	440,039	–	440,039
Costs of charitable activities: welfare services, homecare support expenses and cultural activities	1,484,852	4,854,071	240,000	6,578,923	–	6,578,923
Administrative costs	1,416,078	229,241	–	1,645,319	50,000	1,695,319
Total resources expended	<b>3,149,276</b>	<b>5,275,005</b>	<b>240,000</b>	<b>8,664,281</b>	<b>50,000</b>	<b>8,714,281</b>
Surplus/(deficit) for the reporting year	138,210	544,401	29,095	711,706	(5,429)	706,277
Balance at 1 January 2016	7,715,986	8,807,369	60,092	16,583,447	3,188,638	19,772,085
Balance at 31 December 2016	<b>7,854,196</b>	<b>9,351,770</b>	<b>89,187</b>	<b>17,295,153</b>	<b>3,183,209</b>	<b>20,478,362</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 2017

	Notes	2017 \$	2016 \$
<b>Assets</b>			
<b>Non-current assets</b>			
Plant and equipment	8	1,567,560	1,550,071
Other assets	11	700,000	750,000
<b>Total non-current assets</b>		<b>2,267,560</b>	2,300,071
<b>Current assets</b>			
Inventories	9	88,774	86,612
Other receivables	10	492,458	408,171
Other assets	11	124,952	137,137
Cash and cash equivalents	12	20,284,854	19,668,198
<b>Total current assets</b>		<b>20,991,038</b>	20,300,118
<b>Current liabilities</b>			
Trade and other payables	13	664,672	1,026,788
Other liabilities	14	988,364	1,095,039
<b>Total current liabilities</b>		<b>1,653,036</b>	2,121,827
<b>Net assets</b>		<b>21,605,562</b>	20,478,362
<b>The accumulated funds of the Foundation</b>			
<b>Unrestricted funds</b>			
General fund	15	7,855,714	7,854,196
Local relief fund	15	10,582,698	9,351,770
Designated fund	15	–	89,187
<b>Total unrestricted funds</b>		<b>18,438,412</b>	17,295,153
<b>Restricted funds</b>			
Local building fund	15	3,167,150	3,183,209
<b>Total restricted funds</b>		<b>3,167,150</b>	3,183,209
<b>Total accumulated funds</b>		<b>21,605,562</b>	20,478,362

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

## Statement of Changes in Accumulated Funds

For the Reporting Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>Balance at beginning of the year</b>	<b>20,478,362</b>	19,772,085
Net surplus for the reporting year	<b>1,127,200</b>	706,277
<b>Balance at end of the year</b>	<b>21,605,562</b>	20,478,362

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

## Statement of Cash Flows

For the Reporting Year Ended 31 December 2017

	2017	2016
	\$	\$
<b>Cash flows from operating activities</b>		
Surplus for the reporting year	1,127,200	706,277
Adjustments for:		
Depreciation of plant and equipment	609,065	381,042
Amortisation of deferred capital grants	(189,748)	(103,150)
Losses / (gains) on disposal of plant and equipment	6,693	(633)
Gift in kind received	–	(3,224)
Interest income	(203,430)	(194,883)
Operating cash flow before changes in working capital	1,349,780	785,429
Inventories	(2,162)	177,583
Other receivables	(19,491)	152,531
Other assets	12,185	47,607
Trade and other payables	(362,116)	(748,691)
Other liabilities	83,073	523,201
<b>Net cash flows from operating activities</b>	<b>1,061,269</b>	<b>937,660</b>
<b>Cash flows from investing activities</b>		
Purchase of plant and equipment (Note 8)	(633,247)	(221,250)
Proceeds from disposal of plant and equipment	–	633
Interest income received	188,634	187,768
Cash restricted in use	406,411	(624,246)
<b>Net cash flows used in investing activities</b>	<b>(38,202)</b>	<b>(657,095)</b>
<b>Net increase in cash and cash equivalents</b>	<b>1,023,067</b>	<b>280,565</b>
Cash and cash equivalents, cash flow statement, beginning Balance	9,349,215	9,068,650
<b>Cash and cash equivalents, cash flow statement, ending balance (Note 12A)</b>	<b>10,372,282</b>	<b>9,349,215</b>

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

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017

2017	Notes	Unrestricted funds			Restricted funds		Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	
INCOMING RESOURCES		\$	\$	\$	\$	\$	\$
<b>Voluntary income</b>							
Tax deductible donations	4	1,220,279	3,134,055	–	4,354,334	–	4,354,334
Tax deductible donations (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 (Save for a good cause)		–	887	–	887	–	887
		<b>1,368,265</b>	<b>5,427,022</b>	<b>–</b>	<b>6,795,287</b>	<b>–</b>	<b>6,795,287</b>
<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, home care and medical clinic		–	1,742,107	–	1,742,107	–	1,742,107
		<b>1,417,033</b>	<b>1,742,107</b>	<b>–</b>	<b>3,154,710</b>	<b>–</b>	<b>3,154,710</b>
<b>Funds generating activities</b>							
Placement of donation boxes		120,232	–	–	120,232	–	120,232
		<b>120,232</b>	<b>–</b>	<b>–</b>	<b>120,232</b>	<b>–</b>	<b>120,232</b>
<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 capital grants		40,873	11,595	137,280	189,748	–	189,748
		<b>184,173</b>	<b>368,606</b>	<b>409,280</b>	<b>962,059</b>	<b>33,971</b>	<b>996,030</b>
<b>Total incoming resources</b>		<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>



## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017 (cont'd)

2017	Notes	Unrestricted funds			Restricted funds		Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	
<b>RESOURCES EXPENDED</b>		\$	\$	\$	\$	\$	\$
<b><u>Costs of generating voluntary income: fund raising</u></b>							
Placement of donation boxes		1,000	–	–	1,000	–	1,000
Recycling activities		226,586	–	–	226,586	–	226,586
		<b>227,586</b>	<b>–</b>	<b>–</b>	<b>227,586</b>	<b>–</b>	<b>227,586</b>
<b><u>Costs of charitable activities: welfare services and homecare support expenses and cultural activities</u></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 clinic, rehabilitation, home care and other clinic services		–	3,089,692	–	3,089,692	–	3,089,692
Losses on disposal of plant and equipment		952	5,741	–	6,693	–	6,693
Depreciation		121,415	–	153,180	274,595	–	274,595
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
		<b>1,514,433</b>	<b>5,535,990</b>	<b>425,180</b>	<b>7,475,603</b>	<b>–</b>	<b>7,475,603</b>

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017 (Cont'd)

	Notes	Unrestricted funds			Restricted funds		Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	
		\$	\$	\$	\$	\$	
<b>Administrative costs</b>							
Depreciation		141,215	193,255	–	334,470	–	334,470
Other social activities		226,704	172,653	–	399,357	–	399,357
Other operating expenses	5	973,817	404,909	73,287	1,452,013	50,030	1,502,043
		<b>1,341,736</b>	<b>770,817</b>	<b>73,287</b>	<b>2,185,840</b>	<b>50,030</b>	<b>2,235,870</b>
<b>Total resources expended</b>		<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>

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017 (cont'd)

2016	Notes	Unrestricted funds			Restricted funds		Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	
		\$	\$	\$	\$	\$	\$
<b>INCOMING RESOURCES</b>							
<b>Voluntary income</b>							
Tax deductible donations	4	1,135,960	3,391,839	–	4,527,799	–	4,527,799
Non-tax deductible donations		198,245	584,387	–	782,632	–	782,632
		1,334,205	3,976,226	–	5,310,431	–	5,310,431
<b>Charitable income</b>							
Children and youth classes		898,625	–	–	898,625	–	898,625
Continuing education center		88,697	–	–	88,697	–	88,697
Sales of goods		429,711	–	–	429,711	–	429,711
Donated assets		–	3,224	–	3,224	–	3,224
Free clinics, rehabilitation, home care and medical clinic		–	208,910	–	208,910	–	208,910
		1,417,033	212,134	–	1,629,167	–	1,629,167
<b>Funds generating activities</b>							
Chinese new year charity fair		–	854,225	–	854,225	–	854,225
Flag's Day		–	102,399	–	102,399	–	102,399
Placement of donation boxes		118,505	–	–	118,505	–	118,505
		118,505	956,624	–	1,075,129	–	1,075,129
<b>Others</b>							
Interest income		66,766	83,546	–	150,312	44,571	194,883
Sundry income		311,515	50,604	–	362,119	–	362,119
Government grant		–	531,055	214,624	745,679	–	745,679
Amortisation of deferred capital grants		39,462	9,217	54,471	103,150	–	103,150
		417,743	674,422	269,095	1,361,260	44,571	1,405,831
<b>Total incoming resources</b>		3,287,486	5,819,406	269,095	9,375,987	44,571	9,420,558

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017 (cont'd)

2016	Unrestricted funds			Restricted funds			
	Notes	General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund	Total
RESOURCES EXPENDED		\$	\$	\$	\$	\$	\$
<b>Costs of generating voluntary income: fund raising</b>							
Chinese new year charity fair		–	189,253	–	189,253	–	189,253
Placement of donation boxes		2,140	–	–	2,140	–	2,140
Flag's Day		–	2,440	–	2,440	–	2,440
Recycling activities		246,206	–	–	246,206	–	246,206
		248,346	191,693	–	440,039	–	440,039
<b>Costs of charitable activities: welfare services and homecare support expenses and cultural activities</b>							
Programme for the needy families		–	1,244,149	–	1,244,149	–	1,244,149
Programme for the medical treatments		–	891,776	–	891,776	–	891,776
Seed of hope programmes		–	1,098,799	–	1,098,799	–	1,098,799
Free clinic & health screening services		–	1,490,299	–	1,490,299	–	1,490,299
(Gains) / losses on disposal of plant and equipment		(1,006)	373	–	(633)	–	(633)
Depreciation		118,478	128,675	–	247,153	–	247,153
Bursary scheme		–	–	240,000	240,000	–	240,000
Xiao Zhu bookstore		243,554	–	–	243,554	–	243,554
Children and youth classes		831,469	–	–	831,469	–	831,469
Continuing education center		61,919	–	–	61,919	–	61,919
Year end appreciation		55,395	–	–	55,395	–	55,395
Humanistic culture		153,727	–	–	153,727	–	153,727
Other cultural activities		21,316	–	–	21,316	–	21,316
		1,484,852	4,854,071	240,000	6,578,923	–	6,578,923

## Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2017 (cont'd)

2016	Unrestricted funds			Restricted funds		Total	
	Notes	General Fund	Local Relief Fund	Designated Fund	Sub-Total		Local Building Fund
		\$	\$	\$	\$	\$	
<b>Administrative costs</b>							
Depreciation		133,889	–	–	133,889	–	133,889
Other social activities		287,724	168,129	–	455,853	–	455,853
Other operating expenses	5	994,465	61,112	–	1,055,577	50,000	1,105,577
		1,416,078	229,241	–	1,645,319	50,000	1,695,319
<b>Total resources expended</b>		3,149,276	5,275,005	240,000	8,664,281	50,000	8,714,281

# Notes to the Financial Statements

31 December 2017

## 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 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.

### Accounting convention

The financial statements have been prepared in accordance with the Financial Reporting Standards in Singapore ("FRSs") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council. The Foundation is also subject to the provisions of the Charities Act, Chapter 37. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRSs requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in FRSs may not be applied when the effect of applying them is immaterial. The disclosures required by FRSs need 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

Revenues including donations, gifts and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. 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. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the course of the ordinary activities of the Foundation and it is shown net of related goods and services tax and subsidies.

(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.

(ii) *Fund raising*

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

(iii) *Sale of goods and services*

Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services, including childcare fees, fees on continuing education classes, that are of short duration is recognised when the services are completed.

(iv) *Other revenue*

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

#### 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.

#### 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.

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

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

#### 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 recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

#### Government grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income.

#### 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 $\frac{1}{3}$ %
Furniture and fittings	- 10%
Motor vehicles	- 16 $\frac{2}{3}$ %

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.



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

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

#### **Plant and equipment (cont'd)**

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

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

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

#### Inventories

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

#### Financial assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control. Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position if there is currently a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.
2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

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

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

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

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.
4. Available-for-sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

#### **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.

#### **Financial liabilities**

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Liabilities at amortised cost: These liabilities are carried at amortised cost using the effective interest method.

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

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

#### **Fair value measurement**

When measuring fair value, management uses the assumptions that market participants would use when pricing the asset or liability under current market conditions, including assumptions about risk. It is a market-based measurement, not an entity-specific measurement. 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. In making the fair value measurement, management determines the following: (a) the particular asset or liability being measured (these are identified and disclosed in the relevant notes below); (b) for a non-financial asset, the highest and best use of the asset and whether the asset is used in combination with other assets or on a stand-alone basis; (c) the market in which an orderly transaction would take place for the asset or liability; and (d) the appropriate valuation techniques to use when measuring fair value. The valuation techniques used maximise the use of relevant observable inputs and minimise unobservable inputs. These inputs are consistent with the inputs a market participant may use when pricing the asset or liability.

The fair value measurements categorise the inputs used to measure fair value by using a fair value hierarchy of three levels. These are recurring fair value measurements unless stated otherwise in the relevant notes to the financial statements. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs for the asset or liability. The level is measured on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Transfers between levels of the fair value hierarchy are deemed to have occurred at the beginning of the reporting year. If a financial instrument measured at fair value has a bid price and an ask price, the price within the bid-ask spread or mid-market pricing that is most representative of fair value in the circumstances is used to measure fair value regardless of where the input is categorised within the fair value hierarchy. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique.

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.

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

### **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

FRS 24 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.

#### 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 financial guarantees 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:

	<b>Related parties</b>	
	<b>2017</b>	2016
	<b>\$</b>	\$
Purchases of goods	<b>56,020</b>	44,881
Rental and related expenses	<b>162,020</b>	161,870
Sales of goods	-	146,631
Rental income	<b>24,000</b>	18,000
Payments on behalf	<b>14,900</b>	-

The related parties have one or more common directors.

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

**3A. Related party transactions:**

	<b>Related party – Buddhist Compassion Relief Tzu Chi Foundation (Taiwan)</b>	
	<b>2017</b>	2016
	<b>\$</b>	\$
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 (2016: 2.5) times tax deductions for the donations made to the Foundation during FY2017. The Institutions of Public Character status granted to the Foundation is for the period from 1 December 2015 to 28 February 2019.

	<b>2017</b>	2016
	<b>\$</b>	\$
Tax-exempt receipts issued for donations collected	<b>4,354,944</b>	4,527,799

## 5. Other operating expenses

The major and other components include the following:

	2017	2016
	\$	\$
Audit fees paid to independent auditors	<b>18,750</b>	17,276
Rental expenses (Note 18)	<b>127,210</b>	129,334
Employee benefit expenses (Note 6)	<b>973,309</b>	677,573
Utilities	<b>46,279</b>	57,083

## 6. Employee benefits expense

	2017	2016
	\$	\$
Short term employee benefits expense	<b>3,372,563</b>	2,608,414
Contributions to defined contribution plan	<b>406,075</b>	299,934
Total employee benefits expense	<b>3,778,638</b>	2,908,348

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

	2017	2016
	\$	\$
Other operating expenses	<b>973,309</b>	677,573
Other social activities	<b>361,819</b>	391,956
Charitable activities	<b>2,368,677</b>	1,746,583
Fund generating activities	<b>74,833</b>	92,236
Total employee benefits expense	<b>3,778,638</b>	2,908,348

## 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 Equipment	Furniture and fittings	Motor vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 1 January 2016	1,214,980	1,505,862	597,001	172,019	–	3,489,862
Additions (Note A)	303,671	190,555	14,923	41,811	63,514	614,474
Disposals	–	(122,644)	(857)	(17,800)	–	(141,301)
At 31 December 2016	1,518,651	1,573,773	611,067	196,030	63,514	3,963,035
Additions (Note A)	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
<u>Accumulated Depreciation</u>						
At 1 January 2016	726,702	895,015	444,812	106,694	–	2,173,223
Depreciation for the year	151,677	176,066	31,926	21,373	–	381,042
Disposals	–	(122,644)	(857)	(17,800)	–	(141,301)
At 31 December 2016	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
<u>Carrying value:</u>						
At 1 January 2016	488,278	610,847	152,189	65,325	–	1,316,639
At 31 December 2016	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

Note A: During the current reporting year, the Foundation received total donated assets (gift in kind) amounting to Nil (2016: \$3,224). 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 \$1,673,023 (2016: \$1,690,321).

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

	2017	2016
	\$	\$
Administrative costs (Other operating expenses)	<b>334,470</b>	133,889
Charitable activities	<b>274,595</b>	247,153
Total depreciation expense	<b>609,065</b>	381,042

## 9. Inventories

	2017	2016
	\$	\$
Inventories at cost	<b>88,774</b>	86,612

There are no inventories pledged as security for liabilities.

## 10. Other receivables

	2017	2016
	\$	\$
Outside parties	<b>234,986</b>	94,255
Clinic patients receivables	<b>36,495</b>	33,684
Government grant receivables	<b>220,977</b>	280,232
	<b>492,458</b>	408,171

## 11. Other assets

	2017	2016
	\$	\$
Deposits to secure services - outside parties	<b>36,954</b>	53,099
Deposits to secure services - related party	<b>23,690</b>	23,690
Prepayments	<b>14,308</b>	10,348
Prepayments – Local Building Fund (Note A)	<b>750,000</b>	800,000
	<b>824,952</b>	887,137
Presented as:		
Other assets, current	<b>124,952</b>	137,137
Other assets, non-current	<b>700,000</b>	750,000
	<b>824,952</b>	887,137

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.

## 11. Other assets (cont'd)

The analysis of the amount is as follows:

	2017	2016
	\$	\$
<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>Recovery via rental expense:</b>		
At 1 January	<b>(350,713)</b>	(300,713)
Rental offsetting during the year	<b>(50,000)</b>	(50,000)
At 31 December	<b>(400,713)</b>	(350,713)
Prepayment as at the end of the reporting year	<b>750,000</b>	800,000

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 has 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 year 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 has in 2010 commenced the amortisation of the prepayment over the lease period.

## 12. Cash and cash equivalents

	2017	2016
	\$	\$
Not restricted in use	<b>10,372,282</b>	9,349,215
Restricted in use:		
(a) Cash restricted in use over 3 months	<b>7,016,008</b>	6,995,877
(b) Restricted for unutilised deferred capital and government grants (Note 14B)	<b>166,034</b>	643,329
(c) Cash under restricted funds (Note A)	<b>2,730,530</b>	2,679,777
	<b>20,284,854</b>	19,668,198

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 0.80% and 1.28% (2016: 1.10% and 1.90%) per annum.

## 12. Cash and cash equivalents (cont'd)

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

	2017	2016
	\$	\$
Amount as shown above	20,284,854	19,668,198
Restricted in use	(9,912,572)	(10,318,983)
Cash and cash equivalents for Statement of Cash Flows purposes at end of year	<b>10,372,282</b>	9,349,215

## 13. Trade and other payables

	2017	2016
	\$	\$
<b>Trade payables:</b>		
Outside parties and accrued liabilities	204,925	181,427
Related parties (Note 3)	13,982	18,287
Sub-total	<b>218,907</b>	199,714
<b>Other payables:</b>		
Outside parties	445,765	827,074
Sub-total	<b>445,765</b>	827,074
Total trade and other payables	<b>664,672</b>	1,026,788

## 14. Other liabilities

	2017	2016
	\$	\$
Deferred capital grants (Note 14A)	759,004	353,457
Deferred government grant income (Note 14B)	166,034	643,329
Cash collected in advance for courses	63,326	98,253
	<b>988,364</b>	1,095,039

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

##### 14A. Deferred capital grants:

	2017	2016
	\$	\$
<b>At cost:</b>		
Balance at beginning of the year	560,926	528,223
Purchase of plant and equipment - grants received	595,295	32,703
Balance at end of the year	<u>1,156,221</u>	<u>560,926</u>
<b>Accumulated amortisation:</b>		
Balance at beginning of the year	207,469	104,319
Amortisation for the year	189,748	103,150
Balance at end of the year	<u>397,217</u>	<u>207,469</u>
<b>Carrying value:</b>		
Balance at beginning of the year	353,457	423,904
Balance at end of the year	<u>759,004</u>	<u>353,457</u>

##### 14B. Deferred government grant income

	2017	2016
	\$	\$
<b>Balance at beginning of the year</b>	643,329	160,787
Add: Fund received	390,000	697,164
	<u>1,033,329</u>	<u>857,951</u>
Less: Expenditure incurred	(272,000)	(230,622)
Less: Transferred to deferred capital grant	(595,295)	–
Add: Refund of bursary from student	–	16,000
Balance at end of the year	<u>166,034</u>	<u>643,329</u>

#### 15. Accumulated funds

	2017	2016
	\$	\$
<b>Unrestricted funds:</b>		
General fund	7,855,714	7,854,196
Local relief fund	10,582,698	9,351,770
Designated fund	–	89,187
Total unrestricted funds	<u>18,438,412</u>	<u>17,295,153</u>
<b>Restricted funds:</b>		
Local building fund	3,167,150	3,183,209
Total restricted funds	<u>3,167,150</u>	<u>3,183,209</u>
Total funds	<u>21,605,562</u>	<u>20,478,362</u>
Ratio of unrestricted funds to annual operating expenditure (times)*	<u>1.86</u>	<u>1.99</u>

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

## 15. Accumulated funds (cont'd)

- (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) The Designated Fund is the donation fund relating to grants received for specific purposes.
- (iv) Local Building Fund is for future maintenance and improvements of the building premises occupied by the Foundation.

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 Local Building Fund are represented mainly by cash and plant and equipment. 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>2017</b>	2016
	<b>\$</b>	\$
Commitments to purchase of plant and equipment	<b>58,920</b>	51,510

## 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>2017</b>	2016
	<b>\$</b>	\$
Not later than one year	<b>465,367</b>	560,383
Later than one year and not later than five years	<b>274,670</b>	638,427
Total	<b>740,037</b>	1,198,810

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

Other operating expenses (Note 5)	<b>127,210</b>	129,334
Charitable expenses	<b>514,976</b>	284,309
Total rental expenses	<b>642,186</b>	413,643

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>2017</b>	2016
	<b>\$</b>	\$
<b>Financial assets:</b>		
Cash and cash equivalents	<b>20,284,854</b>	19,668,198
Other receivables	<b>492,458</b>	408,171
At end of the year	<b>20,777,312</b>	20,076,369
<b>Financial liabilities:</b>		
Trade and other payables measured at amortised cost	<b>664,672</b>	1,026,788
At end of the year	<b>664,672</b>	1,026,788

Further quantitative disclosures are included throughout these financial statements.

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

### **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.

### **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 consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments 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.

As at the end of reporting year there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is no maturity (Note 10).

Note 12 discloses the maturity of the cash and cash equivalents balances.

### **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 (2016: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.



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

### 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:

	2017	2016
	\$	\$
Financial assets:		
Fixed rates	<b>16,592,567</b>	11,914,018

Sensitivity analysis: The effect on surplus is insignificant.

### 19G. Foreign currency risks

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

Sensitivity analysis: The effect on surplus is not significant.

## 20. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. None of these were applicable to the reporting entity.

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

For the future reporting years new or revised Singapore Financial Reporting Standards and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised FRSs will have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

FRS No.	Title	Effective date for periods beginning on or after
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers. Amendments to, Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases and Leases - Illustrative Examples & Amendments to Guidance on Other Standards	1 Jan 2019

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

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