



BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

(Unique Entity No: S93SS0148C)

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

Statement by Directors and Financial Statements

Year Ended 31 December 2019

RSM Chio Lim LLP

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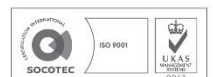
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BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

Statement by the Directors and Financial Statements

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BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

Statement by Directors

In the opinion of the directors,

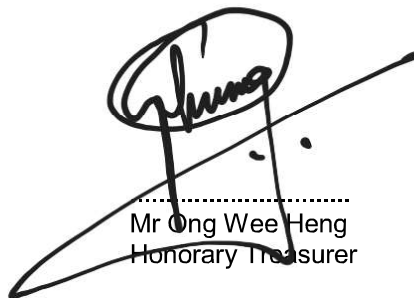
- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the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

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

On behalf of the directors



.....
Ms Toh Kim Kiat
President



.....
Mr Ong Wee Heng
Honorary Treasurer



.....
Ms Yan Su Yuan
Honorary Secretary

Singapore

13 August 2020



RSM Chio Lim LLP

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

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Report on the financial statements

Opinion

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

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and the Financial Reporting Standards (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the Foundation for the year ended on that date.

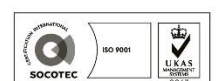
Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Foundation in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

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



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

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Other information (cont'd)

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

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

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

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

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

- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on other legal and regulatory requirements

In our opinion,

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

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

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

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

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



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

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

13 August 2020

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

Statement of Financial Activities For the Reporting Year Ended 31 December 2019

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities
For the Reporting Year Ended 31 December 2019**

2018:	Unrestricted funds				Restricted funds				Sub-total	Total
	General Fund	Local Relief Fund	Designated Fund	Sub-Total	GYM Tonic Fund	IngoT PCC Fund	Home Care Fund	Local Building Fund		
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
<u>INCOMING RESOURCES</u>										
Voluntary income	3,118,684	5,185,340	–	8,304,024	–	–	–	–	–	8,304,024
Charitable activities income	1,435,278	2,039,119	–	3,474,397	–	–	–	–	–	3,474,397
Funds generating activities	68,333	123,463	–	191,796	–	–	–	–	–	191,796
Interest income	78,653	131,342	–	209,995	–	–	–	34,403	34,403	244,398
Sundry income	113,148	34,607	–	147,755	–	–	–	–	–	147,755
Government grant	35,461	2,122	286,640	324,223	–	–	–	–	–	324,223
Other funding	–	809,395	–	809,395	211,000	140,000	–	–	351,000	1,160,395
Amortisation of deferred capital grants	40,873	10,102	186,277	237,252	–	–	–	–	–	237,252
Total incoming resources	4,890,430	8,335,490	472,917	13,698,837	211,000	140,000	–	34,403	385,403	14,084,240
<u>RESOURCES EXPENDED</u>										
Costs of generating voluntary income: fund raising	233,662	11,157	–	244,819	–	–	–	–	–	244,819
Costs of charitable activities: welfare services, homecare support expenses and cultural activities	1,775,850	5,993,061	341,110	8,110,021	–	–	–	–	–	8,110,021
Administrative costs	1,824,015	574,209	131,807	2,530,031	–	–	–	50,030	50,030	2,580,061
Total resources expended	3,833,527	6,578,427	472,917	10,884,871	–	–	–	50,030	50,030	10,934,901
Surplus/(deficit) for the reporting year	1,056,903	1,757,063	–	2,813,966	211,000	140,000	–	(15,627)	335,373	3,149,339
Balance at 1 January 2018	7,855,714	10,582,698	–	18,438,412	–	–	–	3,167,150	3,167,150	21,605,562
Fund re-designated during the year (Note 18 (v))	–	(1,800,000)	–	(1,800,000)	–	–	1,800,000	–	1,800,000	–
Balance at 31 December 2018	8,912,617	10,539,761	–	19,452,378	211,000	140,000	1,800,000	3,151,523	5,302,523	24,754,901

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Position
As at 31 December 2019**

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Changes in Accumulated Funds
For the Reporting Year Ended 31 December 2019**

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Cash Flows
For the Reporting Year Ended 31 December 2019**

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2019**

2019:	Notes	Unrestricted funds			Restricted funds							Total
		Charity Development Fund	Designated Fund	Sub-total	Community Silver Trust Fund	Tote Board Community Healthcare Fund	GYM Tonic Fund	IngoT PCC Fund	Home Care Fund	Local Building Fund	Sub-total	
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOMING RESOURCES												
Voluntary income												
	4	6,485,210	–	6,485,210	–	–	–	–	–	–	–	6,485,210
	4	54,733	–	54,733	–	–	–	–	–	–	–	54,733
		900,669	–	900,669	–	–	–	–	–	–	–	900,669
		466,842	–	466,842	–	–	–	–	–	–	–	466,842
		<u>7,907,454</u>	–	<u>7,907,454</u>	–	–	–	–	–	–	–	<u>7,907,454</u>
Charitable income												
		1,653,174	–	1,653,174	–	–	–	–	–	–	–	1,653,174
		105,254	–	105,254	–	–	–	–	–	–	–	105,254
		115,612	–	115,612	–	–	–	–	–	–	–	115,612
		44,934	–	44,934	–	–	–	–	–	–	–	44,934
		1,928,384	–	1,928,384	–	–	–	–	–	–	–	1,928,384
		651,777	–	651,777	–	–	–	–	–	–	–	651,777
		8,598	–	8,598	–	–	–	–	–	–	–	8,598
		97,764	–	97,764	–	–	–	–	–	–	–	97,764
		<u>4,605,497</u>	–	<u>4,605,497</u>	–	–	–	–	–	–	–	<u>4,605,497</u>
Funds generating activities												
		92,196	–	92,196	–	–	–	–	–	–	–	92,196
		68,746	–	68,746	–	–	–	–	–	–	–	68,746
		228,050	–	228,050	–	–	–	–	–	–	–	228,050
		<u>388,992</u>	–	<u>388,992</u>	–	–	–	–	–	–	–	<u>388,992</u>

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2019 (cont'd)**

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

Statement of Financial Activities – Supplementary Schedules For the Reporting Year Ended 2019 (cont'd)

2019:

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2019 (cont'd)**

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2019**

2018:	Notes	Unrestricted funds				Restricted funds					
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	GYM Tonic Fund	IngoT PCC Fund	Home Care Fund	Local Building Fund	Sub-total	Total
		\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
INCOMING RESOURCES											
Voluntary income											
	4	2,777,496	4,410,273	–	7,187,769	–	–	–	–	–	7,187,769
	4	–	79,058	–	79,058	–	–	–	–	–	79,058
		341,188	366,898	–	708,086	–	–	–	–	–	708,086
		–	329,111	–	329,111	–	–	–	–	–	329,111
		<u>3,118,684</u>	<u>5,185,340</u>	<u>–</u>	<u>8,304,024</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>8,304,024</u>
Charitable income											
		1,201,766	–	–	1,201,766	–	–	–	–	–	1,201,766
		68,250	–	–	68,250	–	–	–	–	–	68,250
		150,530	–	–	150,530	–	–	–	–	–	150,530
		14,732	–	–	14,732	–	–	–	–	–	14,732
		–	1,650,671	–	1,650,671	–	–	–	–	–	1,650,671
		–	388,448	–	388,448	–	–	–	–	–	388,448
		<u>1,435,278</u>	<u>2,039,119</u>	<u>–</u>	<u>3,474,397</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>3,474,397</u>
Funds generating activities											
		–	123,463	–	123,463	–	–	–	–	–	123,463
		68,333	–	–	68,333	–	–	–	–	–	68,333
		<u>68,333</u>	<u>123,463</u>	<u>–</u>	<u>191,796</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>191,796</u>

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2018 (cont'd)**

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2018 (cont'd)**

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2019 (cont'd)**

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

Notes to the Financial Statements 31 December 2019

1. General

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

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

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

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

Statement of compliance with financial reporting standards

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

Accounting convention

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

Basis of preparation of the financial statements

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Income and revenue recognition

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

(i) Donations and corporate cash sponsorships

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

(ii) Fund raising

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

(iii) Sale of goods

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

(iv) Revenue from rendering services

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

(v) Other revenue

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies (cont'd)

Gifts in kind

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

Government grants

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

Employee benefits

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

Income tax

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

Foreign currency transactions

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Plant and equipment

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

Renovations	-	20%
Office equipment	-	20% - 33 ¹ / ₃ %
Furniture and fittings	-	10%
Motor vehicles	-	16 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.

Cost also includes acquisition cost, any cost directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Right-of-use assets

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Leases of lessee

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

Leases of lessor

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

Impairment of non-financial assets

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Inventories

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

Financial instruments

Recognition and derecognition of financial instruments:

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

Classification and measurement of financial assets:

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Financial instruments (cont'd)

Classification and measurement of financial liabilities:

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

Cash and cash equivalents

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

Fair value measurement

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Funds

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

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the reporting year they occur.

2C. Critical judgements, assumptions and estimation uncertainties

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

3. Related party relationships and transactions

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

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

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

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

3A. Related party transactions:

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

Significant related party transactions:

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

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

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

3B. Key management compensation:

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

4. Tax deductible receipts

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

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

5. Other operating expenses

The major and other components include the following:

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

6. Employee benefits expense

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

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

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

7. Income tax

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

8. Plant and equipment

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

Note A:

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

8. Plant and equipment (cont'd)

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

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

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

9. Right-of-use assets

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

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

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

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

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

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

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

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

10. Other non-financial assets

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

10A. Prepayments – Local Building Fund

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

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

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

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

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

11. Inventories

	<u>2019</u>	<u>2018</u>
	\$	\$
Inventories at cost	<u>76,622</u>	<u>78,259</u>

There are no inventories pledged as security for liabilities.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

12. Trade and other receivables

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

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

13. Cash and cash equivalents

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

14. Lease liabilities

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

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

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

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

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

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

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

14. Lease liabilities (cont'd)

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

<u>2019</u>	<u>Minimum payments</u> \$	<u>Finance charges</u> \$	<u>Present value</u> \$
Minimum lease payments payable:			
Not later than one year	1,056,417	100,223	956,194
Between 1 and 3 years	1,286,294	97,285	1,189,009
Between 3 and 5 years	118,612	33,051	85,561
More than 5 years	350,000	53,972	296,028
Total	<u>2,811,323</u>	<u>284,531</u>	<u>2,526,792</u>
			<u>2019</u> \$
Net book value of rights-of-use assets under lease liabilities			<u>2,696,629</u>

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

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

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

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

15. Provisions, non-current

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

15A. Provision for dismantling and removing

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

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

16. Trade and other payables

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

17. Other non-financial liabilities

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

17A. Deferred capital grants:

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

17B. Deferred government grant income

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

18. Accumulated funds

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

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

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

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18. Accumulated funds (cont'd)

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

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

19. Columnar presentation of statement of financial position

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

20. Capital commitments

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

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

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21. Financial instruments: information on financial risks

21A. Categories of financial assets and liabilities

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

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

Further quantitative disclosures are included throughout these financial statements.

21B. Financial risk management

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

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

21C. Fair values of financial instruments

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

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

21D. Credit risk on financial assets

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

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

21E. Liquidity risk– financial liabilities maturity analysis

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

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

21F. Interest rate risk

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

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

Sensitivity analysis: The effect on surplus is insignificant.

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

21F. Foreign currency risks

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

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

22. Changes and adoption of financial reporting standards

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

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

Leases:

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

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

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

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

24. Events after the end of the reporting year

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