

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 2020

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

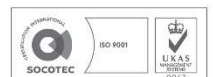
Audit@RSMSingapore.sg

www.RSMSingapore.sg

UEN: T09LL0008J

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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,

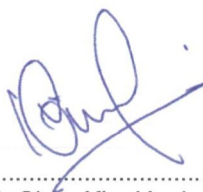
- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") as at 31 December 2020 and of the results, changes in accumulated funds and cash flows of the 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.

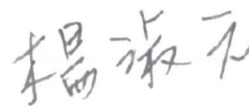
On behalf of the directors



Ms Toh Kim Kiat
President



Mr Chée Kim Huei
Honorary Treasurer



Ms Yan Su Yuan
Honorary Secretary

Singapore

11 June 2021

RSM Chio Lim LLP

8 Wilkie Road, #03-08
Wilkie Edge, Singapore 228095

T +65 6533 7600

F +65 6594 7811

Audit@RSMSingapore.sg

www.RSMSingapore.sg

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

Report on the financial statements

Opinion

We have audited the accompanying financial statements of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation"), which comprise the statement of financial position as at 31 December 2020, 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 2020 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 (Institution 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

11 June 2021

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities
For the Reporting Year Ended 31 December 2020**

| 2020: | Unrestricted funds | | | Restricted Funds | | | | | | | | | | | | Sub-total | Total |
|-----------------------------------------------|--------------------------|-----------------|------------|-----------------------------|--------------------------------------|----------------|-----------|----------------|----------------|---------------------|------------|------------|-------------------------|-----------------------|-----------|------------|-------|
| | Charity Development Fund | Designated Fund | Sub-total | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | NCSS Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Covid Fund | Other Fund | SEEN Outreach Programme | President's Challenge | Sub-total | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| <u>INCOMING RESOURCES</u> | | | | | | | | | | | | | | | | | |
| Voluntary income Charitable activities income | 9,463,143 | - | 9,463,143 | - | - | - | - | - | - | - | - | - | - | - | - | 9,463,143 | |
| Funds generating activities | 5,127,520 | - | 5,127,520 | - | - | - | - | - | - | - | - | - | - | - | - | 5,127,520 | |
| Interest income | 807,899 | - | 807,899 | - | - | - | - | - | - | - | - | - | - | - | - | 807,899 | |
| Sundry income | 258,808 | - | 258,808 | - | - | - | - | - | - | 28,748 | - | - | - | - | 28,748 | 287,556 | |
| Government grant | 698,142 | - | 698,142 | - | - | - | - | - | - | - | - | - | - | - | - | 698,142 | |
| Other funding | 1,011,425 | - | 1,011,425 | 330,707 | 188,798 | - | - | - | - | - | - | - | 120,000 | - | 639,505 | 1,650,930 | |
| Amortisation of deferred capital grants | - | - | - | - | - | - | 3,000 | - | - | - | 30,000 | 30,159 | - | 122,760 | 185,919 | 185,919 | |
| Total incoming resources | 8,321 | 362,824 | 371,145 | 139,941 | - | - | - | - | - | - | - | - | - | - | 139,941 | 511,086 | |
| | 17,375,258 | 362,824 | 17,738,082 | 470,648 | 188,798 | - | 3,000 | - | - | 28,748 | 30,000 | 30,159 | 120,000 | 122,760 | 994,113 | 18,732,195 | |

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

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities (cont'd)
For the Reporting Year Ended 31 December 2020**

| 2020: | Unrestricted funds | | | Restricted Funds | | | | | | | | | | | | Sub-total | Total |
|-----------------------------------------------------------------------------------------------------|--------------------------|-----------------|-------------------|-----------------------------|--------------------------------------|----------------|--------------|----------------|----------------|---------------------|---------------|---------------|-------------------------|-----------------------|----------------|-------------------|-------|
| | Charity Development Fund | Designated Fund | | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | NCSS Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Covid Fund | Other Fund | SEEN Outreach Programme | President's Challenge | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| RESOURCES EXPENDED | | | | | | | | | | | | | | | | | |
| Costs of generating voluntary income: fund raising | 567,130 | - | 567,130 | - | - | - | - | - | - | - | - | - | - | - | - | - | |
| Costs of charitable activities: welfare services, homecare support expenses and cultural activities | 11,507,561 | 38,258 | 11,545,819 | 470,648 | 152,170 | 55,721 | 3,000 | 28,000 | - | - | 30,000 | 21,009 | 120,000 | 37,892 | 918,440 | 12,464,259 | |
| Administrative costs | 2,434,322 | 324,566 | 2,758,888 | - | - | - | - | - | - | 68,896 | - | - | - | - | 68,896 | 2,827,784 | |
| Total resources expended | 14,509,013 | 362,824 | 14,871,837 | 470,648 | 152,170 | 55,721 | 3,000 | 28,000 | - | 68,896 | 30,000 | 21,009 | 120,000 | 37,892 | 987,336 | 15,859,173 | |
| Surplus / (deficit) for the reporting year | 2,866,245 | - | 2,866,245 | - | 36,628 | (55,721) | - | (28,000) | - | (40,148) | - | 9,150 | - | 84,868 | 6,777 | 2,873,022 | |
| Balance at 1 January 2020 | 20,790,128 | - | 20,790,128 | - | 1,717 | 443,506 | - | 126,867 | 1,800,000 | 3,130,558 | - | - | - | - | 5,502,648 | 26,292,776 | |
| Balance at 31 December 2020 | 23,656,373 | - | 23,656,373 | - | 38,345 | 387,785 | - | 98,867 | 1,800,000 | 3,090,410 | - | 9,150 | - | 84,868 | 5,509,425 | 29,165,798 | |

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 (cont'd) For the Reporting Year Ended 31 December 2020

| 2019: | Unrestricted funds | | | | | Restricted funds | | | | | | | Sub-total | Total |
|-----------------------------------------------------------------------------------------------------|--------------------|-------------------|--------------------------|-----------------|-------------------|-----------------------------|--------------------------------------|----------------|----------------|------------------|---------------------|------------------|-------------------|-------|
| | General Fund | Local Relief Fund | Charity Development Fund | Designated Fund | Sub-total | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| <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 Position
As at 31 December 2020**

| | <u>Notes</u> | <u>2020</u> \$ | <u>2019</u> \$ |
|------------------------------------------------|--------------|-------------------|-------------------|
| Assets | | | |
| <u>Non-current assets</u> | | | |
| Plant and equipment | 8 | 6,076,344 | 7,128,745 |
| Right-of-use assets | 9 | 2,270,588 | 2,696,629 |
| Other financial assets – amortised cost | 10 | 12,273,260 | – |
| Other non-financial assets | 11 | 550,000 | 600,000 |
| Total non-current assets | | <u>21,170,192</u> | <u>10,425,374</u> |
| <u>Current assets</u> | | | |
| Inventories | 12 | 98,848 | 76,622 |
| Trade and other receivables | 13 | 390,738 | 730,536 |
| Other non-financial assets | 11 | 782,809 | 488,644 |
| Cash and cash equivalents | 14 | 13,653,950 | 22,853,052 |
| Total current assets | | <u>14,926,345</u> | <u>24,148,854</u> |
| <u>Non-current liabilities</u> | | | |
| Lease liabilities | 15 | 1,170,353 | 1,570,598 |
| Provisions | 16 | 513,242 | 496,440 |
| Total non-current liabilities | | <u>1,683,595</u> | <u>2,067,038</u> |
| <u>Current liabilities</u> | | | |
| Trade and other payables | 17 | 1,223,549 | 1,446,437 |
| Other non-financial liabilities | 18 | 3,040,720 | 3,811,783 |
| Lease liabilities | 15 | 982,875 | 956,194 |
| Total current liabilities | | <u>5,247,144</u> | <u>6,214,414</u> |
| Net assets | | <u>29,165,798</u> | <u>26,292,776</u> |
| The accumulated funds of the Foundation | | | |
| <u>Unrestricted funds</u> | | | |
| Charity development fund | 19 | 23,656,373 | 20,790,128 |
| Total unrestricted fund | | <u>23,656,373</u> | <u>20,790,128</u> |
| <u>Restricted funds</u> | | | |
| Tote Board Community Healthcare Fund | 19 | 38,345 | 1,717 |
| Gym Tonic fund | 19 | 387,785 | 443,506 |
| IngoT PCC fund | 19 | 98,867 | 126,867 |
| Home Care fund | 19 | 1,800,000 | 1,800,000 |
| Local building fund | 19 | 3,090,410 | 3,130,558 |
| Other fund | 19 | 9,150 | – |
| President's Challenge | 19 | 84,868 | – |
| Total restricted funds | | <u>5,509,425</u> | <u>5,502,648</u> |
| Total accumulated funds | | <u>29,165,798</u> | <u>26,292,776</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 2020**

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| Balance at beginning of the year | 26,292,776 | 24,754,901 |
| Net surplus for the reporting year | 2,873,022 | 1,537,875 |
| Balance at end of the year | <u>29,165,798</u> | <u>26,292,776</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 2020**

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------------------------------|---------------------|--------------------|
| | \$ | \$ |
| <u>Cash flows from operating activities</u> | | |
| Surplus for the reporting year | 2,873,022 | 1,537,875 |
| Adjustments for: | | |
| Depreciation of plant and equipment | 1,803,335 | 1,003,068 |
| Depreciation of right of use assets | 1,306,268 | 842,161 |
| Amortisation of deferred capital grants | (511,086) | (431,311) |
| Losses on disposal of plant and equipment | 14,756 | 48,334 |
| Gifts in kind received | – | (44,934) |
| Interest income | (287,556) | (345,976) |
| Interest expense | 133,875 | 119,413 |
| Operating cash flow before changes in working capital | <u>5,332,614</u> | <u>2,728,630</u> |
| Inventories | (22,226) | 1,637 |
| Trade and other receivables | 259,999 | 172,073 |
| Other non-financial assets | (244,165) | (318,041) |
| Trade and other payables | (222,888) | 666,388 |
| Other non-financial liabilities | (259,977) | 2,604,785 |
| Net cash flows from operating activities | <u>4,843,357</u> | <u>5,855,472</u> |
| <u>Cash flows from investing activities</u> | | |
| Purchase of plant and equipment (Note 8) | (793,113) | (5,467,217) |
| Purchase of bonds (Note 10) | (12,273,260) | – |
| Interest income received | 367,355 | 362,809 |
| Net cash flows used in investing activities | <u>(12,699,018)</u> | <u>(5,104,408)</u> |
| <u>Cash flows from financing activities</u> | | |
| Interest paid | (133,875) | (119,413) |
| Lease liabilities – principal portion paid | (1,209,566) | (630,673) |
| Net cash flows used in financing activities | <u>(1,343,441)</u> | <u>(750,086)</u> |
| Net (decrease)/increase in cash and cash equivalents | (9,199,102) | 978 |
| Cash and cash equivalents, beginning balance | <u>22,853,052</u> | <u>22,852,074</u> |
| Cash and cash equivalents, ending balance (Note 14) | <u>13,653,950</u> | <u>22,853,052</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 2020**

| 2020: | Unrestricted funds | | | Restricted funds | | | | | | | | | | | | | |
|------------------------------------------------------------------------------------|--------------------------------|------------------|-----------|----------------------------------------------|------|----------------|-----------|----------------|----------------|---------------------|------------|------------|-------------------------|-----------------------|-----------|-------|------------------|
| | Charity Development Designated | | | Tote Board Community Silver Trust Healthcare | | GYM Tonic Fund | NCSS Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Covid Fund | Other Fund | SEEN Outreach Programme | President's Challenge | Sub-total | Total | |
| Notes | Fund | Fund | Sub-total | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | Fund | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| INCOMING RESOURCES | | | | | | | | | | | | | | | | | |
| Voluntary income | | | | | | | | | | | | | | | | | |
| Tax deductible donations | 4 | 8,220,062 | – | 8,220,062 | – | – | – | – | – | – | – | – | – | – | – | – | 8,220,062 |
| Tax deductible donations (Save for a good cause) | 4 | 30,970 | – | 30,970 | – | – | – | – | – | – | – | – | – | – | – | – | 30,970 |
| Non-tax deductible donations | | 901,976 | – | 901,976 | – | – | – | – | – | – | – | – | – | – | – | – | 901,976 |
| Non-tax deductible donations (Save for a good cause) | | 310,135 | – | 310,135 | – | – | – | – | – | – | – | – | – | – | – | – | 310,135 |
| | | <u>9,463,143</u> | – | <u>9,463,143</u> | – | – | – | – | – | – | – | – | – | – | – | – | <u>9,463,143</u> |
| Charitable income | | | | | | | | | | | | | | | | | |
| Children and youth classes | | 1,938,025 | – | 1,938,025 | – | – | – | – | – | – | – | – | – | – | – | – | 1,938,025 |
| Continuing education center | | 49,442 | – | 49,442 | – | – | – | – | – | – | – | – | – | – | – | – | 49,442 |
| Sales of recycle items | | 25,480 | – | 25,480 | – | – | – | – | – | – | – | – | – | – | – | – | 25,480 |
| Free clinics, rehabilitation, and other clinic services | | 1,994,046 | – | 1,994,046 | – | – | – | – | – | – | – | – | – | – | – | – | 1,994,046 |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services | | 885,048 | – | 885,048 | – | – | – | – | – | – | – | – | – | – | – | – | 885,048 |
| Community care services | | 18,985 | – | 18,985 | – | – | – | – | – | – | – | – | – | – | – | – | 18,985 |
| Youth activity center | | 216,494 | – | 216,494 | – | – | – | – | – | – | – | – | – | – | – | – | 216,494 |
| | | <u>5,127,520</u> | – | <u>5,127,520</u> | – | – | – | – | – | – | – | – | – | – | – | – | <u>5,127,520</u> |
| Funds generating activities | | | | | | | | | | | | | | | | | |
| Placement of donation boxes | | 90,034 | – | 90,034 | – | – | – | – | – | – | – | – | – | – | – | – | 90,034 |
| Charity Fair | | 717,865 | – | 717,865 | – | – | – | – | – | – | – | – | – | – | – | – | 717,865 |
| | | <u>807,899</u> | – | <u>807,899</u> | – | – | – | – | – | – | – | – | – | – | – | – | <u>807,899</u> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2020 (cont'd)**

| 2020: | Unrestricted funds | | | Restricted funds | | | | | | | | | | | | |
|----------------------------------------------------------|--------------------------------|--------------------|------------|-----------------------------------|-----------------------------------------------|----------------------|--------------|----------------------|----------------------|---------------------------|---------------|---------------|-------------------------------|--------------------------|-----------|------------|
| | Charity Development Fund | Designated Fund | Sub-total | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | NCSS Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Covid Fund | Other Fund | SEEN Outreach Programme | President's Challenge | Sub-total | Total |
| Notes | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| INCOMING RESOURCES (cont'd) | | | | | | | | | | | | | | | | |
| Others | | | | | | | | | | | | | | | | |
| Interest income | 258,808 | – | 258,808 | – | – | – | – | – | – | 28,748 | – | – | – | – | 28,748 | 287,556 |
| Sundry income | 698,142 ^(a) | – | 698,142 | – | – | – | – | – | – | – | – | – | – | – | – | 698,142 |
| Government grant | 1,011,425 ^(b) | – | 1,011,425 | 330,707 | 188,798 | – | – | – | – | – | – | – | 120,000 | – | 639,505 | 1,650,930 |
| Other funding | – | – | – | – | – | – | 3,000 | – | – | – | 30,000 | 30,159 | – | 122,760 | 185,919 | 185,919 |
| Amortisation of deferred capital grants | 8,321 | 362,824 | 371,145 | 139,941 | – | – | – | – | – | – | – | – | – | – | 139,941 | 511,086 |
| | 1,976,696 | 362,824 | 2,339,520 | 470,648 | 188,798 | – | 3,000 | – | – | 28,748 | 30,000 | 30,159 | 120,000 | 122,760 | 994,113 | 3,333,633 |
| Total incoming resources | 17,375,258 | 362,824 | 17,738,082 | 470,648 | 188,798 | – | 3,000 | – | – | 28,748 | 30,000 | 30,159 | 120,000 | 122,760 | 994,113 | 18,732,195 |
| RESOURCES EXPENDED | | | | | | | | | | | | | | | | |
| Cost of generating voluntary income: fund raising | | | | | | | | | | | | | | | | |
| Save for a Good Cause | (2,051) | – | (2,051) | – | – | – | – | – | – | – | – | – | – | – | – | (2,051) |
| Placement of donation boxes | (51) | – | (51) | – | – | – | – | – | – | – | – | – | – | – | – | (51) |
| Charity Fair Expenses | (337,490) | – | (337,490) | – | – | – | – | – | – | – | – | – | – | – | – | (337,490) |
| Recycling activities | (98,045) | – | (98,045) | – | – | – | – | – | – | – | – | – | – | – | – | (98,045) |
| Recycling activities - depreciation | (11,292) | – | (11,292) | – | – | – | – | – | – | – | – | – | – | – | – | (11,292) |
| Recycling activities - depreciation right of use assets | (112,662) | – | (112,662) | – | – | – | – | – | – | – | – | – | – | – | – | (112,662) |
| Recycling activities – lease interest | (5,539) | – | (5,539) | – | – | – | – | – | – | – | – | – | – | – | – | (5,539) |
| | (567,130) | – | (567,130) | – | – | – | – | – | – | – | – | – | – | – | – | (567,130) |

^(a) Includes amount of \$383,604 for rental concession income.

^(b) Includes amount of \$967,649 received from Jobs Support Scheme, the purpose of the Job Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2020 (cont'd)**

2020:

| Notes | Unrestricted funds | | | Restricted funds | | | | | | | | | | | | | Sub-total | Total |
|---------------------------------------------------------------------------------------------------|--------------------------|-----------------|--------------|-----------------------|--------------------------------------|----------------|-----------|----------------|----------------|---------------------|------------|------------|-------------------------|-----------------------|-----------|--------------|-------------|-------|
| | Charity Development Fund | Designated Fund | | Community Silver Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | NCSS Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Covid Fund | Other Fund | SEEN Outreach Programme | President's Challenge | | | | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| RESOURCES EXPENDED (cont'd) | | | | | | | | | | | | | | | | | | |
| Costs of charitable activities: | | | | | | | | | | | | | | | | | | |
| Welfare services and homecare support expenses and cultural activities | | | | | | | | | | | | | | | | | | |
| Programme for the needy families | (972,197) | – | (972,197) | – | – | – | – | – | – | – | – | – | – | – | (6,573) | (6,573) | (978,770) | |
| Programme for the medical treatments | (1,639,894) | – | (1,639,894) | – | – | – | – | – | – | – | – | – | – | (31,319) | (31,319) | (1,671,213) | | |
| Covid-19 Pandemic programmes | (102,367) | – | (102,367) | – | – | – | (3,000) | – | – | – | (30,000) | (21,009) | – | – | (54,009) | (156,376) | | |
| Free clinics, rehabilitation, and other clinic services | (2,810,901) | – | (2,810,901) | – | – | – | – | – | – | – | – | – | – | – | – | – | (2,810,901) | |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services | (1,088,124) | – | (1,088,124) | – | – | – | – | – | – | – | – | – | – | – | – | – | (1,088,124) | |
| ILTC – MOH – subvented home medical, nursing, therapy and palliative care services - depreciation | (3,520) | – | (3,520) | – | – | – | – | – | – | – | – | – | – | – | – | – | (3,520) | |
| Depreciation | (1,100,607) | (38,258) | (1,138,865) | (139,941) | (534) | (37,990) | – | (28,000) | – | – | – | – | – | – | (206,465) | (1,345,330) | | |
| Depreciation – right of use assets | (1,106,284) | – | (1,106,284) | – | – | – | – | – | – | – | – | – | – | – | – | – | (1,106,284) | |
| Lease interest expense | (100,951) | – | (100,951) | – | – | – | – | – | – | – | – | – | – | – | – | – | (100,951) | |
| Children and youth classes | (1,964,851) | – | (1,964,851) | – | – | – | – | – | – | – | – | – | – | – | – | – | (1,964,851) | |
| Continuing education center | (51,535) | – | (51,535) | – | – | – | – | – | – | – | – | – | – | – | – | – | (51,535) | |
| Community care services | (3,267) | – | (3,267) | (330,707) | (151,636) | (17,731) | – | – | – | – | – | – | (120,000) | – | (620,074) | (623,341) | | |
| Youth activity center | (487,322) | – | (487,322) | – | – | – | – | – | – | – | – | – | – | – | – | – | (487,322) | |
| Volunteer training | (3,200) | – | (3,200) | – | – | – | – | – | – | – | – | – | – | – | – | – | (3,200) | |
| Humanistic culture | (72,541) | – | (72,541) | – | – | – | – | – | – | – | – | – | – | – | – | – | (72,541) | |
| | (11,507,561) | (38,258) | (11,545,819) | (470,648) | (152,170) | (55,721) | (3,000) | (28,000) | – | – | (30,000) | (21,009) | (120,000) | (37,892) | (918,440) | (12,464,259) | | |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2020 (cont'd)**

| <u>2020:</u> | <u>Unrestricted funds</u> | | | <u>Restricted funds</u> | | | | | | | | | | | | | |
|------------------------------------|---------------------------|-------------------|---------------------|-------------------------|------------------|-----------------|----------------|-----------------|-------------|-----------------|-----------------|-----------------|------------------|--------------------|------------------|---------------------|--|
| | <u>Charity</u> | <u>Designated</u> | | <u>Tote Board</u> | | <u>GYM</u> | | <u>IngoT</u> | <u>Home</u> | <u>Local</u> | | <u>Other</u> | <u>SEEN</u> | <u>President's</u> | | | |
| <u>Notes</u> | <u>Fund</u> | <u>Fund</u> | <u>Sub-total</u> | <u>Community</u> | <u>Community</u> | <u>Tonic</u> | <u>NCSS</u> | <u>PCC</u> | <u>Care</u> | <u>Building</u> | <u>Covid</u> | <u>Fund</u> | <u>Outreach</u> | <u>Challenge</u> | <u>Sub-total</u> | <u>Total</u> | |
| | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | |
| RESOURCES EXPENDED (cont'd) | | | | | | | | | | | | | | | | | |
| <u>Administrative costs</u> | | | | | | | | | | | | | | | | | |
| Depreciation | (118,627) | (324,566) | (443,193) | - | - | - | - | - | - | - | - | - | - | - | - | (443,193) | |
| Depreciation – right of use assets | (41,570) | - | (41,570) | - | - | - | - | - | - | (45,752) | - | - | - | - | (45,752) | (87,322) | |
| Other social activities | (653,131) | - | (653,131) | - | - | - | - | - | - | - | - | - | - | - | - | (653,131) | |
| Other operating expenses | 5 (1,616,753) | - | (1,616,753) | - | - | - | - | - | - | - | - | - | - | - | - | (1,616,753) | |
| Lease interest expense | (4,241) | - | (4,241) | - | - | - | - | - | - | (23,144) | - | - | - | - | (23,144) | (27,385) | |
| | <u>(2,434,322)</u> | <u>(324,566)</u> | <u>(2,758,888)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(68,896)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>(68,896)</u> | <u>(2,827,784)</u> | |
| Total resources expended | <u>(14,509,013)</u> | <u>(362,824)</u> | <u>(14,871,837)</u> | <u>(470,648)</u> | <u>(152,170)</u> | <u>(55,721)</u> | <u>(3,000)</u> | <u>(28,000)</u> | <u>-</u> | <u>(68,896)</u> | <u>(30,000)</u> | <u>(21,009)</u> | <u>(120,000)</u> | <u>(37,892)</u> | <u>(987,338)</u> | <u>(15,859,173)</u> | |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2020 (cont'd)**

| 2019: | | Unrestricted funds | | | Restricted funds | | | | | | | |
|------------------------------------|---|--------------------|------------|------------------|------------------|------------|-------|-------|------|----------|-----------|------------------|
| Notes | | Charity | Designated | Sub-total | Community | Tote Board | GYM | IngoT | Home | Local | Sub-total | Total |
| | | Development | Fund | | Silver Trust | Community | Tonic | PCC | Care | Building | | |
| | | Fund | Fund | | Fund | Fund | Fund | Fund | Fund | Fund | | |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

**Statement of Financial Activities – Supplementary Schedules
For the Reporting Year Ended 2020 (cont'd)**

| 2019: | Unrestricted funds | | | Restricted funds | | | | | | | | Total |
|----------------------------------------------------------|--------------------|--------------------------------|--------------------|------------------|-----------------------------------|-----------------------------------------------|-------------------|-------------------|----------------------|---------------------------|-----------|------------|
| | Notes | Charity Development Fund | Designated Fund | Sub-total | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | 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 2020 (cont'd)**

| 2019: | Unrestricted funds | | | Restricted funds | | | | | | | | Total |
|---------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------|----------------------------------|------------------------|--------------------------------------------------|---------------------------------------------------------------|---------------------------------|---------------------------------|-------------------------------------|------------------------------------------|------------------------|------------|
| | Notes | <u>Charity Development Fund</u> \$ | <u>Designated Fund</u> \$ | <u>Sub-total</u> \$ | <u>Community Silver Trust Fund</u> \$ | <u>Tote Board Community Healthcare Fund</u> \$ | <u>GYM Tonic Fund</u> \$ | <u>IngoT PCC Fund</u> \$ | <u>Home Care Fund</u> \$ | <u>Local Building Fund</u> \$ | <u>Sub-total</u> \$ | |
| RESOURCES EXPENDED (cont'd) | | | | | | | | | | | | |
| 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 2020 (cont'd)**

| 2019: | | Unrestricted funds | | | Restricted funds | | | | | | | |
|------------------------------------|-------|--------------------------------|--------------------|-------------------|-----------------------------------|-----------------------------------------------|-------------------|-------------------|----------------------|---------------------------|----------------|-------------------|
| | Notes | Charity Development Fund | Designated Fund | Sub-total | Community Silver Trust Fund | Tote Board Community Healthcare Fund | GYM Tonic Fund | IngoT PCC Fund | Home Care Fund | Local Building Fund | Sub-total | Total |
| | | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ | \$ |
| 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 |
| | | 2,370,426 | 324,566 | 2,694,992 | – | – | – | – | – | 70,203 | 70,203 | 2,765,195 |
| | | 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)

Notes to the Financial Statements 31 December 2020

1. General

Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the “Foundation”) is a society registered in Singapore under the Societies Act, Chapter 311, on 20 September 1993.

The Foundation is a charity registered under the Charities Act, Chapter 37, with approved Institution of a Public Character (“IPC”) status. The renewed IPC status is for a period of three years from 1 March 2019 to 28 February 2022.

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

The constitution of the Foundation restricts the use of fund monies to purposes that are for the furtherance of the objects of the Foundation. It prohibits the payment of dividends to members. The Foundation has no share capital.

Covid-19 pandemic

Management has reviewed the estimated potential impact and plausible downside scenarios, along with its responses as a result of the Covid-19 pandemic. No material uncertainties were identified in connection with the reporting entity’s ability to continue in operational existence for the foreseeable future.

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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

1. General (cont'd)

Basis of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates.

The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the Foundation's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Income and revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such 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).

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

(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.

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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

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.

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 2 to 3 years. |
| Office equipment | - | Over the terms of lease of 5 years. |
| Leasehold land and buildings | - | Over the terms of lease of 14 years. |

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 lease term.

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.

Carrying amounts 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

Except as disclosed below, 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.

Estimation of useful lives of property, plant and equipment:

The estimates for the useful lives and related depreciation charges for property, plant and equipment are based on commercial and other factors which could change significantly as a result of innovations and in response to market conditions. The depreciation charge is increased where useful lives are less than previously estimated lives, or the carrying amounts written off or written down for technically obsolete items or assets that have been abandoned. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the balances affected. The carrying amount of the specific asset or class of assets at the end of the reporting year affected by the assumption are as disclosed in Note 8.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

2C. Critical judgements, assumptions and estimation uncertainties (cont'd)

Estimating the incremental borrowing rate for leases

The Foundation uses the incremental borrowing rate to measure lease liabilities because the interest rate implicit in the lease is not readily determinable. The incremental borrowing rate is the rate of interest that the lessee would have to pay to borrow over similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Foundation “would have to pay”, which requires estimation when no observation rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Foundation estimates the incremental borrowing rate by using observable inputs such as market interest rates, when available. Any change in estimation of incremental borrowing rate may have a significant impact to the determination of lease liabilities and right-of-use assets at date of initial application of FRS 116 and commencement date of new leasing transactions. The carrying amounts of right-of-use assets and lease liabilities are disclosed in Notes 9 and 15, respectively.

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. Key management personnel include the chief executive officer (“CEO”).

The 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 except for the token amount as disclosed in Note 3B.

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 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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

3A. Related party transactions (cont'd)

Significant related party transactions:

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

| | Related parties | |
|-------------------------------------------------------|-----------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| | \$ | \$ |
| Management fees income | (139,916) | (135,184) |
| Partner vendor fees, spaces usage & utilities charges | 26,263 | (44,617) |
| Payment on behalf | – | 3,317 |
| Purchases of goods | 53,761 | 23,192 |
| Rental and related expenses | 175,211 | 201,965 |
| Rental income | (12,504) | (22,368) |

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

3B. Key management compensation

Key management personnel is the CEO of the Foundation. The CEO received a symbolic salary of \$11 from the foundation during the reporting year.

No compensation is made to any of the directors of the Foundation as their appointment are Honorary.

3C. Other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other payables to related parties are as follows:

| | Related parties | |
|---------------------------------------------------------------------------|-----------------|-------------|
| | <u>2020</u> | <u>2019</u> |
| | \$ | \$ |
| <u>Other payables:</u> | | |
| Balance at beginning of the year | – | – |
| Amounts paid in and settlement of liabilities on behalf of the Foundation | 2,818 | – |
| Balance at end of the year (Note 17) | <u>2,818</u> | <u>–</u> |

4. Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 (2019: 2.5) times tax deductions for the donations made to the Foundation.

| | <u>2020</u> | <u>2019</u> |
|----------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Tax-exempt receipts issued for donations collected | <u>8,251,032</u> | <u>6,539,943</u> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

5. Other operating expenses

The major and other components include the following:

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------|---------------|---------------|
| | \$ | \$ |
| Audit fees paid to independent auditors | 21,986 | 15,537 |
| Rental expenses | 17,754 | 21,893 |
| Employee benefit expenses (Note 6) | 1,312,185 | 1,303,355 |
| Utilities | <u>29,833</u> | <u>41,633</u> |

6. Employee benefits expense

| | <u>2020</u> | <u>2019</u> |
|--------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Short term employee benefits expense | 6,093,781 | 4,875,574 |
| Contributions to defined contribution plan | <u>630,815</u> | <u>501,895</u> |
| Total employee benefits expense | <u>6,724,596</u> | <u>5,377,469</u> |

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

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Other operating expenses | 1,312,185 | 1,303,355 |
| Other social activities | 620,607 | 515,258 |
| Charitable activities | 4,205,494 | 3,233,276 |
| Fund generating activities | 72,974 | 72,071 |
| Restricted funds | <u>513,336</u> | <u>253,509</u> |
| Total employee benefits expense | <u>6,724,596</u> | <u>5,377,469</u> |

7. Income tax

As an IPC, the Foundation is exempted from tax under section 13(1)(zm) of the Singapore Income Tax Act to the extent that the funds are applied to its charitable objects.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

8. Plant and equipment

| | <u>Renovations</u> | <u>Office Equipment</u> | <u>Furniture and fittings</u> | <u>Motor vehicles</u> | <u>Construction in Progress</u> | <u>Total</u> |
|----------------------------------|--------------------|-----------------------------|-----------------------------------|---------------------------|-------------------------------------|--------------|
| | \$ | \$ | \$ | \$ | \$ | \$ |
| <u>Cost:</u> | | | | | | |
| At 1 January 2019 | 2,923,914 | 2,063,726 | 653,759 | 210,124 | 139,296 | 5,990,819 |
| Additions | 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 |
| Additions | 304,739 | 470,609 | 5,790 | 11,975 | – | 793,113 |
| Disposals | – | (14,476) | – | – | (8,400) | (22,876) |
| Reclassification (Note 9) | (32,908) | – | – | – | – | (32,908) |
| At 31 December 2020 | 7,510,556 | 3,719,470 | 671,699 | 247,913 | 72,966 | 12,222,604 |
| <u>Accumulated Depreciation:</u> | | | | | | |
| At 1 January 2019 | 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 |
| Depreciation for the year | 1,218,935 | 541,048 | 25,515 | 17,837 | – | 1,803,335 |
| Disposals | – | (8,120) | – | – | – | (8,120) |
| Reclassification (Note 9) | (5,485) | – | – | – | – | (5,485) |
| At 31 December 2020 | 3,272,631 | 2,148,853 | 552,363 | 172,413 | – | 6,146,260 |
| <u>Carrying value:</u> | | | | | | |
| At 1 January 2019 | 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 |
| At 31 December 2020 | 4,237,925 | 1,570,617 | 119,336 | 75,500 | 72,966 | 6,076,344 |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

8. Plant and equipment (cont'd)

Included within the cost of renovation is a provision for reinstatement costs of \$82,207 (2019: \$115,115).

Fully depreciated plant and equipment still in use had an initial cost of \$3,409,916 (2019: \$2,632,473).

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

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Fund raising | 11,292 | 1,186 |
| Administrative costs (Other operating expenses) | 443,193 | 458,497 |
| Charitable activities | 1,348,850 | 543,385 |
| Total depreciation expense | <u>1,803,335</u> | <u>1,003,068</u> |

9. Right-of-use assets

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

| | <u>Leasehold land and buildings</u> | <u>Office premises</u> | <u>Office equipment</u> | <u>Total</u> |
|----------------------------------|---------------------------------------------|----------------------------|-----------------------------|------------------|
| | \$ | \$ | \$ | \$ |
| <u>Cost:</u> | | | | |
| At 1 January 2019 | 640,537 | 1,034,260 | 65,300 | 1,740,097 |
| Additions | – | 1,688,652 | 110,041 | 1,798,693 |
| At 31 December 2019 | 640,537 | 2,722,912 | 175,341 | 3,538,790 |
| Additions | – | 844,807 | 7,997 | 852,804 |
| Reclassification (Note 8) | – | 32,908 | – | 32,908 |
| At 31 December 2020 | <u>640,537</u> | <u>3,600,627</u> | <u>183,338</u> | <u>4,424,502</u> |
| <u>Accumulated Depreciation:</u> | | | | |
| At 1 January 2019 | – | – | – | – |
| Depreciation for the year | 45,753 | 775,541 | 20,867 | 842,161 |
| At 31 December 2019 | 45,753 | 775,541 | 20,867 | 842,161 |
| Depreciation for the year | 45,752 | 1,222,255 | 38,261 | 1,306,268 |
| Reclassification (Note 8) | – | 5,485 | – | 5,485 |
| At 31 December 2020 | <u>91,505</u> | <u>2,003,281</u> | <u>59,128</u> | <u>2,153,914</u> |
| <u>Carrying value:</u> | | | | |
| At 1 January 2019 | <u>640,537</u> | <u>1,034,260</u> | <u>65,300</u> | <u>1,740,097</u> |
| At 31 December 2019 | <u>594,784</u> | <u>1,947,371</u> | <u>154,474</u> | <u>2,696,629</u> |
| At 31 December 2020 | <u>549,032</u> | <u>1,597,346</u> | <u>124,210</u> | <u>2,270,588</u> |

Included within the cost of right of use asset-premises is a provision for reinstatement costs of \$414,233 (2019: \$381,325).

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

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

| | <u>2020</u> | <u>2019</u> |
|-------------------------------------------------|------------------|----------------|
| | \$ | \$ |
| Fund raising | 112,662 | 85,196 |
| Administrative costs (Other operating expenses) | 87,322 | 83,683 |
| Charitable activities | <u>1,106,284</u> | <u>673,282</u> |
| Total depreciation expense | <u>1,306,268</u> | <u>842,161</u> |

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 | 9 | 15 | 25 |
| Remaining term - range | 12 years | 1 to 2 years | 2 to 4 years | – |
| Remaining term - average | 12 years | 1.31 years | 3.45 years | – |

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

There are restrictions or covenants imposed by the lease agreements 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 agreements prohibits from selling or pledging the underlying leased assets as security. Typically the lease agreements are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some lease agreements contain an option to extend the lease for a further term. For leases over properties the lease agreements 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.

10. Financial assets at amortised cost

| | <u>2020</u> | <u>2019</u> |
|---------------------------------|-------------------|-------------|
| | \$ | \$ |
| Quoted bonds, at amortised cost | <u>12,273,260</u> | <u>–</u> |

The Foundation appointed an external fund manager to invest certain of its surplus funds in accordance with the instruction by the management of the Foundation. There is also an investment committee which reports to the Board of Directors on the investment strategy and performance of the Foundation. The external fund manager reports the investment holdings and performance to the Foundation on a regular basis. The fund manager is located in Singapore with a credit rating of Aa1.

As at 31 December 2020, the debt instruments comprise corporate bonds with coupon rates ranging from 2.25% to 4.05% per annum and have maturity dates ranging from 29 October 2025 to 1 August 2036. The effective interest rates are ranging from 0.68% to 2.79% per annum.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

10. Financial assets at amortised cost (cont'd)

10A. Disclosures relating to financial assets measured at amortised cost

The following information provides a summary of the fair value of financial instruments stated at amortised cost and the significant sector concentrations within the investment portfolio including Levels 1, 2 and 3 securities:

| <u>Nature</u> | <u>Industry</u> | <u>Location</u> | <u>Level</u> | <u>2020</u> \$ | <u>2020</u> % |
|---------------|------------------------------|-----------------|--------------|-------------------|------------------|
| Bonds | Transportation and logistics | Singapore | 1 | 850,922 | 7 |
| Bonds | Financial services | Singapore | 1 | 3,728,445 | 30 |
| Bonds | Real estate | Singapore | 1 | 4,096,708 | 33 |
| Bonds | Telecommunication | Singapore | 1 | 3,830,462 | 30 |
| | | | | <u>12,506,537</u> | <u>100</u> |

10B. Credit rating of the debt assets instruments at amortised cost

The debt investments carried at amortised cost are subject to the expected credit loss model under the standard on financial instruments. The debt investments at amortised cost are considered to have low credit risk, and the loss allowance recognised during the reporting year is limited to 12 months expected losses. Listed bonds are regarded as of low credit risk if they have an investment grade credit rating with one or more reputable rating agencies. Other bonds are regarded as of low credit risk if they have a low risk of default and the issuer 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.

All investments are in bonds issued by Singapore Government or companies owned by Singapore Government Sovereign Funds.

10C. Sensitivity analysis for price risk of quoted bonds at amortised cost

There are investments in corporate bonds or similar instruments. Such investments are exposed to market price risk arising from uncertainties about future values of the investment securities. The effect of sensitivity analysis is as follows:

| | |
|--------------------------------------------------------------------------------------------------------------------|-------------------|
| | <u>2020</u> \$ |
| A hypothetical 5% increase in the market index of quoted corporate bonds would have an effect on the fair value of | <u>625,327</u> |

For similar price decreases in the fair value of the above financial assets, there would be comparable impacts in the opposite direction.

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11. Other non-financial assets

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------------|------------------|------------------|
| | \$ | \$ |
| Deposits to secure services – outside parties | 245,361 | 255,483 |
| Deposits to secure services – related party | 23,690 | 23,690 |
| Prepayments | 463,758 | 159,471 |
| Prepayments – Local Building Fund (Note 11A) | 600,000 | 650,000 |
| | <u>1,332,809</u> | <u>1,088,644</u> |
| Presented as: | | |
| Other assets, current | 782,809 | 488,644 |
| Other assets, non-current | 550,000 | 600,000 |
| | <u>1,332,809</u> | <u>1,088,644</u> |

11A. 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>2020</u> | <u>2019</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 | (500,713) | (450,713) |
| Amortisation - rental offsetting during the reporting year | <u>(50,000)</u> | <u>(50,000)</u> |
| At the end of the reporting year | <u>(550,713)</u> | <u>(500,713)</u> |
| Prepayment as at the end of the reporting year | <u>600,000</u> | <u>650,000</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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)**12. Inventories**

| | <u>2020</u> \$ | <u>2019</u> \$ |
|---------------------|-------------------|-------------------|
| Inventories at cost | <u>98,848</u> | <u>76,622</u> |

There are no inventories pledged as security for liabilities.

13. Trade and other receivables

| | <u>2020</u> \$ | <u>2019</u> \$ |
|----------------------------------|-------------------|-------------------|
| Outside parties | 199,189 | 292,655 |
| Related parties | – | 46,940 |
| Clinic patients receivables | 21,996 | 48,548 |
| Government subsidies receivables | <u>169,553</u> | <u>342,393</u> |
| | <u>390,738</u> | <u>730,536</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.

14. Cash and cash equivalents

| | <u>2020</u> \$ | <u>2019</u> \$ |
|-----------------------|-------------------|-------------------|
| Not restricted in use | <u>13,653,950</u> | <u>22,853,052</u> |

The rate of interest for the cash on interest earning balances was between 0.70% and 1.42% (2019: 1.88% and 1.97%) per annum.

15. Lease liabilities

| | <u>2020</u> \$ | <u>2019</u> \$ |
|--------------------------------|-------------------|-------------------|
| Lease liabilities, current | 1,170,353 | 956,194 |
| Lease liabilities, non-current | <u>982,875</u> | <u>1,570,598</u> |
| | <u>2,153,228</u> | <u>2,526,792</u> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

15. Lease liabilities (cont'd)

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

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------|------------------|------------------|
| | \$ | \$ |
| At beginning of the year | 2,526,792 | 1,604,347 |
| Additions | 836,002 | 1,553,118 |
| Accretion of interest | 133,875 | 119,413 |
| Lease payments – principal portion paid | (1,209,566) | (630,673) |
| Interest expense paid | (133,875) | (119,413) |
| At end of the year | <u>2,153,228</u> | <u>2,526,792</u> |

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.

For the Covid-19 related rent concessions, the practical expedient was applied for reflecting the adjustment in Statement Of Financial Activities rather than as a lease modification as permitted by the amendment to the financial reporting standard on leases. It allows lessees to account for such rent concessions as variable lease payments.

The weighted average incremental borrowing rate applied to lease liabilities recognised was 5.00% (2019: 5.00%) per annum.

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

| | <u>Minimum</u> | <u>Finance</u> | <u>Present</u> |
|----------------------------------------------------------------|------------------|----------------|------------------|
| | <u>payments</u> | <u>charges</u> | <u>value</u> |
| | \$ | \$ | \$ |
| <u>2020</u> | | | |
| Minimum lease payments payable: | | | |
| Not later than one year | 1,244,786 | 74,433 | 1,170,353 |
| Between 2 to 5 years | 771,985 | 85,138 | 686,847 |
| More than 5 years | 350,000 | 53,972 | 296,028 |
| Total | <u>2,366,771</u> | <u>213,543</u> | <u>2,153,228</u> |
| Net book value of rights-of-use assets under lease liabilities | | | <u>2,270,588</u> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

15. Lease liabilities (cont'd)

| | <u>Minimum payments</u> \$ | <u>Finance charges</u> \$ | <u>Present value</u> \$ |
|----------------------------------------------------------------|-----------------------------------|----------------------------------|--------------------------------|
| <u>2019</u> | | | |
| Minimum lease payments payable: | | | |
| Not later than one year | 1,056,417 | 100,223 | 956,194 |
| Between 2 to 5 years | 1,354,906 | 114,802 | 1,240,104 |
| More than 5 years | <u>400,000</u> | <u>69,506</u> | <u>330,494</u> |
| Total | <u>2,811,323</u> | <u>284,531</u> | <u>2,526,792</u> |
| Net book value of rights-of-use assets under lease liabilities | | | <u>2,696,629</u> |

Total cash outflows for leases of the Foundation for the year ended 31 December 2020 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>2020</u> \$ | <u>2019</u> \$ |
|-----------------------------------------------------------------------------------------------|-------------------|-------------------|
| Expense relating to short-term leases and leases of low-value assets included in other losses | <u>74,215</u> | <u>156,805</u> |
| Total commitments on short-term leases at year end date | <u>53,161</u> | <u>32,306</u> |

16. Provisions, non-current

| | <u>2020</u> \$ | <u>2019</u> \$ |
|---------------------------------------------------|-------------------|-------------------|
| Provision for dismantling and removing (Note 16A) | <u>513,242</u> | <u>496,440</u> |

16A. Provision for dismantling and removing

| | <u>2020</u> \$ | <u>2019</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 | 496,440 | – |
| Additions | <u>16,802</u> | <u>496,440</u> |
| At end of the year | <u>513,242</u> | <u>496,440</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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

17. Trade and other payables

| | <u>2020</u> | <u>2019</u> |
|-----------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| <u>Trade payables:</u> | | |
| Outside parties and accrued liabilities | 594,445 | 532,063 |
| Related parties (Note 3) | 1,609 | 10,601 |
| Sub-total | <u>596,054</u> | <u>542,664</u> |
| <u>Other payables:</u> | | |
| Outside parties | 624,677 | 903,773 |
| Related parties (Note 3) | 2,818 | – |
| Sub-total | <u>627,495</u> | <u>903,773</u> |
| Total trade and other payables | <u><u>1,223,549</u></u> | <u><u>1,446,437</u></u> |

18. Other non-financial liabilities

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| Deferred capital grants (Note 18A) | 1,416,738 | 1,719,524 |
| Deferred government grant income (Note 18B) | 1,566,364 | 2,005,371 |
| Cash collected in advance for courses | 57,618 | 86,888 |
| | <u><u>3,040,720</u></u> | <u><u>3,811,783</u></u> |

18A. Deferred capital grants:

| | <u>2020</u> | <u>2019</u> |
|---------------------------------------------------------------------------------------|-------------------------|-------------------------|
| | \$ | \$ |
| <u>At cost:</u> | | |
| Balance at beginning of the year | 2,785,304 | 2,174,943 |
| Purchase of plant and equipment – Transferred from deferred government grant received | 208,300 | 610,361 |
| Balance at end of the year | <u>2,993,604</u> | <u>2,785,304</u> |
| <u>Accumulated amortisation:</u> | | |
| Balance at beginning of the year | 1,065,780 | 634,469 |
| Amortisation for the year | 511,086 | 431,311 |
| Balance at end of the year | <u>1,576,866</u> | <u>1,065,780</u> |
| <u>Carrying value:</u> | | |
| Balance at beginning of the year | <u>1,719,524</u> | <u>1,540,474</u> |
| Balance at end of the year | <u><u>1,416,738</u></u> | <u><u>1,719,524</u></u> |

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

18. Other non-financial liabilities (cont'd)

18B. Deferred government grant income

| | General Fund \$ | Community Silver Trust \$ | Covid Fund \$ | Total \$ |
|---------------------------------------|-----------------------|---------------------------------|---------------------|-------------|
| At 1 January 2019 | 20,672 | – | – | 20,672 |
| Fund received | – | 2,963,873 | – | 2,963,873 |
| | 20,672 | 2,963,873 | – | 2,984,545 |
| Expenditure incurred | – | (368,813) | – | (368,813) |
| Transferred to deferred capital grant | – | (610,361) | – | (610,361) |
| At 31 December 2019 | 20,672 | 1,984,699 | – | 2,005,371 |
| Fund received | – | – | 100,000 | 100,000 |
| | 20,672 | 1,984,699 | – | 2,105,371 |
| Expenditure incurred | – | (330,707) | – | (330,707) |
| Transferred to deferred capital grant | – | (208,300) | – | (208,300) |
| At 31 December 2020 | 20,672 | 1,445,692 | 100,000 | 1,566,364 |

19. Accumulated funds

| | 2020 \$ | 2019 \$ |
|----------------------------------------------------------------------|-------------------|-------------------|
| <u>Unrestricted fund:</u> | | |
| Charity development fund (A) | 23,656,373 | 20,790,128 |
| Total unrestricted fund | <u>23,656,373</u> | <u>20,790,128</u> |
| <u>Restricted funds:</u> | | |
| Tote Board Community Healthcare fund (B) | 38,345 | 1,717 |
| Gym Tonic Fund (C) | 387,785 | 443,506 |
| IngoT PCC Fund (D) | 98,867 | 126,867 |
| Home Care Fund (E) | 1,800,000 | 1,800,000 |
| Local Building Fund (F) | 3,090,410 | 3,130,558 |
| Other Fund (G) | 9,150 | – |
| President's Challenge Fund (H) | 84,868 | – |
| Total restricted funds | <u>5,509,425</u> | <u>5,502,648</u> |
| Total funds | <u>29,165,798</u> | <u>26,292,776</u> |
| Ratio of unrestricted funds to annual operating expenditure (times)* | <u>1.59</u> | <u>1.65</u> |

* Annual operating expenditure represents total resources expended under unrestricted funds.

A. 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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

19. Accumulated funds (cont'd)

- B. 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.
- C. 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.
- D. IngoT Person-Centered Care (“PCC”) Fund is donated to the Foundation with objective to support the subsidised 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.
- E. 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.
- F. Local Building Fund is for future maintenance and improvements of the building premises occupied by the Foundation.
- G. Other fund is received via funding activities like Sayang Sayang Fund by Community Foundation of Singapore, Ready Together Fund by Agency for Integrated Care and HYC Urban Farming Fund by Charities and Foundation America. The fund is used for projects for medical consumable, staff support cost and expandable equipments.
- H. President’s Challenge Fund is a yearly campaign supported by the kindness and generosity of people from all walks of life, regardless of culture, religion or family background, to help those less fortunate, specifically for the beneficiaries that are annually selected by the President’s Office. The President’s Challenge provides funding for Renal Support Programme organised by the Foundation. This fund is to defray the manpower and operational expenditure of running the programmes.

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.

20. Columnar presentation of statement of financial position

Majority of the assets and liabilities are attributable to the Charity Development Fund, Toteboard Community Healthcare Fund, The Gym Tonic Fund, IngoT PCC Fund, Home Care Fund, Local Building Fund, Other Fund and President’s Challenge 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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

21. 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>2020</u> | <u>2019</u> |
|------------------------------------------------|---------------|----------------|
| | \$ | \$ |
| Commitments to purchase of plant and equipment | <u>38,745</u> | <u>216,151</u> |

22. Financial instruments: information on financial risks

22A. 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>2020</u> | <u>2019</u> |
|-----------------------------------------|-------------------|-------------------|
| | \$ | \$ |
| <u>Financial assets:</u> | | |
| Financial assets at amortised cost | <u>26,317,948</u> | <u>23,583,588</u> |
| At end of the year | <u>26,317,948</u> | <u>23,583,588</u> |
| <u>Financial liabilities:</u> | | |
| Financial liabilities at amortised cost | <u>3,376,777</u> | <u>3,973,229</u> |
| At end of the year | <u>3,376,777</u> | <u>3,973,229</u> |

Further quantitative disclosures are included throughout these financial statements.

22B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Foundation'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.

22C. 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.

BUDDHIST COMPASSION RELIEF TZU-CHI FOUNDATION (SINGAPORE)

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

22D. 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 14 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.

22E. Liquidity risk– financial liabilities maturity analysis

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 (2019: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

| | Less than <u>1 year</u> \$ | 2 to 5 <u>years</u> \$ | More than <u>5 years</u> \$ | <u>Total</u> \$ |
|--------------------------|----------------------------------|------------------------------|-----------------------------------|--------------------|
| <u>2020</u> | | | | |
| Gross lease obligations | 1,244,786 | 771,985 | 350,000 | 2,366,771 |
| Trade and other payables | 1,223,549 | – | – | 1,223,549 |
| | <u>2,468,335</u> | <u>771,985</u> | <u>350,000</u> | <u>3,590,320</u> |
| <u>2019</u> | | | | |
| Gross lease obligations | 1,056,417 | 1,404,906 | 350,000 | 2,811,323 |
| Trade and other payables | 1,446,437 | – | – | 1,446,437 |
| | <u>2,502,854</u> | <u>1,404,906</u> | <u>350,000</u> | <u>4,257,760</u> |

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22F. 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>2020</u> | <u>2019</u> |
|-------------------|-------------------|-------------------|
| | \$ | \$ |
| Financial assets: | | |
| Fixed rates | <u>20,952,226</u> | <u>16,782,867</u> |

Sensitivity analysis: The effect on surplus is insignificant.

22G. 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.

23. Changes and adoption of financial reporting standards

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

| <u>FRS No.</u> | <u>Title</u> |
|----------------|-----------------------------------------------------------------------------------------|
| FRS 1 and 8 | Definition of Material – Amendments to FRS 1 and 8 |
| FRS PS 2 | FRS Practice Statement 2 Making Materiality Judgements |
| FRS 116 | The Conceptual Framework for Financial Reporting |
| | Covid-19-Related Rent Concessions – Amendments to FRS 116 (effective from 30 June 2020) |

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

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

| <u>FRS No.</u> | <u>Title</u> | <u>Effective date for periods beginning on or after</u> |
|----------------|---------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------|
| FRS 16 | Property, Plant and Equipment: Proceeds before Intended Use – Amendments to FRS 16 | 1 January 2022 |
| FRS 109 | Financial Instruments – Fees in the “10 per cent” test for de-recognition of financial liabilities (Annual Improvement Project) | 1 January 2022 |
| Various | Annual Improvements to FRSs 2018-2020 | 1 January 2022 |
| FRS 1 | Classification of Liabilities as Current or Non-current – Amendments to FRS 1 | 1 January 2023 |