

Buddhist Compassion Relief
Tzu Chi Foundation
(Singapore)



TZU CHI SINGAPORE | 慈濟
ANNUAL REPORT 2016 | 濟

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Our Founder

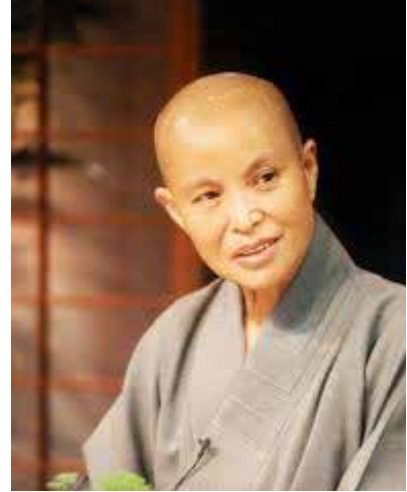
Dharma Master Cheng Yen was born in 1937, in a small town in Central Taiwan, and she was adopted by her uncle and aunt when she was still a toddler. When she was around seven years old, she experienced the air raids that the Second World War brought upon the then Japanese-occupied Taiwan, and the cruelties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

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

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

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

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



Dharma Master Cheng Yen
Founder of Tzu Chi

天 下 无 灾 无 难
祥 和 社 会
净 化 人 心

The Founding of Tzu Chi

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

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

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

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

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

慈 悲 喜 舍
誠 正 信 實

Vision

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

Mission

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

Values

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

Chairman's Message

“ In a grain of rice
hides the sands of time.
In a pot the vistas
of Nature are cooked.”

In the early days of Tzu Chi, life was hard and frugal at the Jing Si Abode, to the extent that during the monthly aid distribution and Dharma service at the Abode, Master Cheng Yen had to borrow rice to cook porridge for the gathered throngs of hungry poor. When the porridge was not enough to feed the people, the Master would instruct her monastic disciples to add more water to the pot of porridge that was being cooked outdoors. At the same time, one could see sparse grains of rice sunken at the bottom of the open pot of watery gruel and the reflection of the distant mountains, blue sky, and white clouds on the water surface.

It was from such humble beginnings that the Tzu Chi Path of eternal Great Love originated. With a pure heart of compassion, Master Cheng Yen embarked on this path of Great Love 51 years ago, to reach out to the poor and sick. The Jing Si Abode is fully self-sufficient, and every bit of donation from the faithful is channelled towards Tzu Chi's Charity Mission. This has become the model practice and driving force for Tzu Chi offices and volunteers worldwide.

Tzu Chi Foundation (Singapore) started sowing the seeds of compassion 24 years ago through charity work to help the local needy population. Then, it gradually developed its Four Missions of Charity, Medicine, Education, and Humanistic Culture, which have significantly contributed to social development and peace.



Venerable De Ge
(Toh Kim Kiat)
Chairman
Tzu Chi Foundation (Singapore)

一粒米中藏日月
半升锅里煮山河

Tzu Chi Foundation (Singapore) has many services and programmes that serve the needs of the underprivileged, and our island-wide network of volunteers regularly hold communal activities that promote a spirit of benevolence and love in the community.

Looking back on 2016, it had been a truly busy year for us. Tzu Chi Foundation (Singapore) launched the monthly “Everyone Partakes in Charity” programme, and its Seeds of Hope Financial Assistance Scheme and Bursary Programme helped numerous needy students. It also took over the operations of the Lakeside Family Medicine Clinic, established a student care centre and the Da Ai Gallery. Thus, volunteers are given many more opportunities to practise selfless giving, and also to cultivate a strong team spirit. Through the voluntary work they do, they are able to gain insights to life, and find direction and meaning in life.

Looking ahead at 2017, Tzu Chi Foundation (Singapore) will continue to bear the spirit of Great Love as we unite with the nation in striving for a harmonious society. I would like to take this opportunity to offer my heartfelt gratitude to the board members, Tzu Chi volunteers and donors, as well as our generous sponsors and partners.

By pooling together the efforts of everyone, I hope that we will continue to extend and expand our Great Love to build a warm and compassionate society together.

CEO's Message

Dharma Master Cheng Yen, the founder of Tzu Chi, begins each day with gratitude. We are deeply grateful to live in peaceful Singapore; yet at the same time, we often ask ourselves what the needs of our society are and what we can do to help more people in need.

Over the past 24 years, Tzu Chi Foundation (Singapore) has been serving the underprivileged by providing them with financial assistance for living/medical expenses, and in recent years, we have also been providing students from disadvantaged families with education grants and bursaries. In addition to offering financial aid, we have established a childcare centre and a student care centre, as well as an Eco-Awareness Centre and 37 recycling points island-wide, with the aim of promoting environmental awareness and sustainability in the community.

From its first free clinic, Tzu Chi Foundation (Singapore)'s Mission of Medicine has, over the years, extended its outreach to many more people in need in the wider community. Besides the Tzu Chi Free Clinic in Redhill, which provides free medical (GP & TCM) and dental services, Tzu Chi Foundation (Singapore) has also signed an agreement with Jurong Health Services, to start operating the Lakeside Family Medicine Clinic (LFMC), effective from November 2016, as a move towards empowering patients with patient-centred care. The LFMC offers a variety of chargeable healthcare services to the general public and refers needy patients to Tzu Chi Foundation (Singapore), which will follow up with needs assessments. Subsidized care, financial aid, and/or emotional support will then be provided to patients who need help and support.

In light of our rapidly aging population, Tzu Chi Foundation (Singapore) and the Agency for Integrated Care (AIC) had embarked on a partnership to kick off the Tzu Chi Home Care Services in 2014, and in 2016, palliative care services were added to the programme, so that terminally ill patients may receive quality healthcare within the comfort of their own home.

18 years ago, even before AIDS was termed "the plague of the 21st century", Tzu Chi Foundation (Singapore) had started providing HIV patients with subsidies for medications as well as emotional support. As of the end of 2016, we have offered care and aid to 1,515 HIV patients. In recognition of our tireless efforts in helping AIDS sufferers, Action For AIDS (AFA) Singapore had honoured



Low Swee Seh

CEO

Tzu Chi Foundation (Singapore)



Tzu Chi Foundation (Singapore) with the “2016 Red Ribbon Award”. Some of these patients, who were former inmates, have even joined the ranks of Tzu Chi volunteers to help others in need.

It is Master Cheng Yen’s hope that we can promote and deepen the work of our education and cultural missions in our relatively prosperous and peaceful society. The Da Ai Gallery, which showcases Tzu Chi’s missions around the world, was inaugurated in 2016; Tzu Chi Great Love PreSchool, which has won positive feedback from parents, has plans to open a second centre, and our student care centre inculcates children with values and life skills besides imparting study skills.

For 2017, we have set the following goals for our Missions:

- **Deepen our charity efforts**
Assist beneficiaries belonging to vulnerable groups that are in need of further counselling and care by tapping into our healthcare and education resources, to improve the quality of their lives.
- **Provide quality, patient-centred medical care**
Increase the standard of care and services provided by our three healthcare centres; extend our Home Care Services to more needy elderly patients and provide them with holistic care.
- **Expand our education mission**
Instill values in children starting from a young age – we hope to set up more branches of our Great Love PreSchool in neighbourhoods around Singapore.
- **Recruit volunteers from various racial and religious backgrounds**
Encourage community residents to join the ranks of volunteers and guide them to work together and help one another regardless of race or religion, to foster neighbourliness and build a sense of community spirit.

Each year, Master Cheng Yen makes these three wishes: to purify hearts and minds, to bring harmony to society, and to create a disaster-free world. Besides reeling from natural and manmade disasters, many countries in the world are faced with the urgent issue of global warming. In this light, the Master has highlighted to all that time is running out to save our planet and hopes that every individual can work to conserve energy and resources and live an eco-friendly life. By starting from ourselves, we can influence others to do the same and protect Mother Earth.

My heartfelt thanks goes to our board members, volunteers and donors, as well as our generous sponsors and partners.

“Many grains of rice
make a bushel;
many drops of water
make a river”

– I sincerely hope that every one of us will continue to give our love to help those in need, and through each of our selfless acts of kindness, we can help bring about peace and harmony in society.

Board of Directors

Sim Sem Peng
Assistant Secretary

Venerable De Ge
(Toh Kim Kiat)
Chairman

Venerable De Rang
(Chang Horng Lin)
Member

Ong Wee Heng
Honorary Treasurer

Sim Hee Chew
Member



Ng Chuan Lim
Member

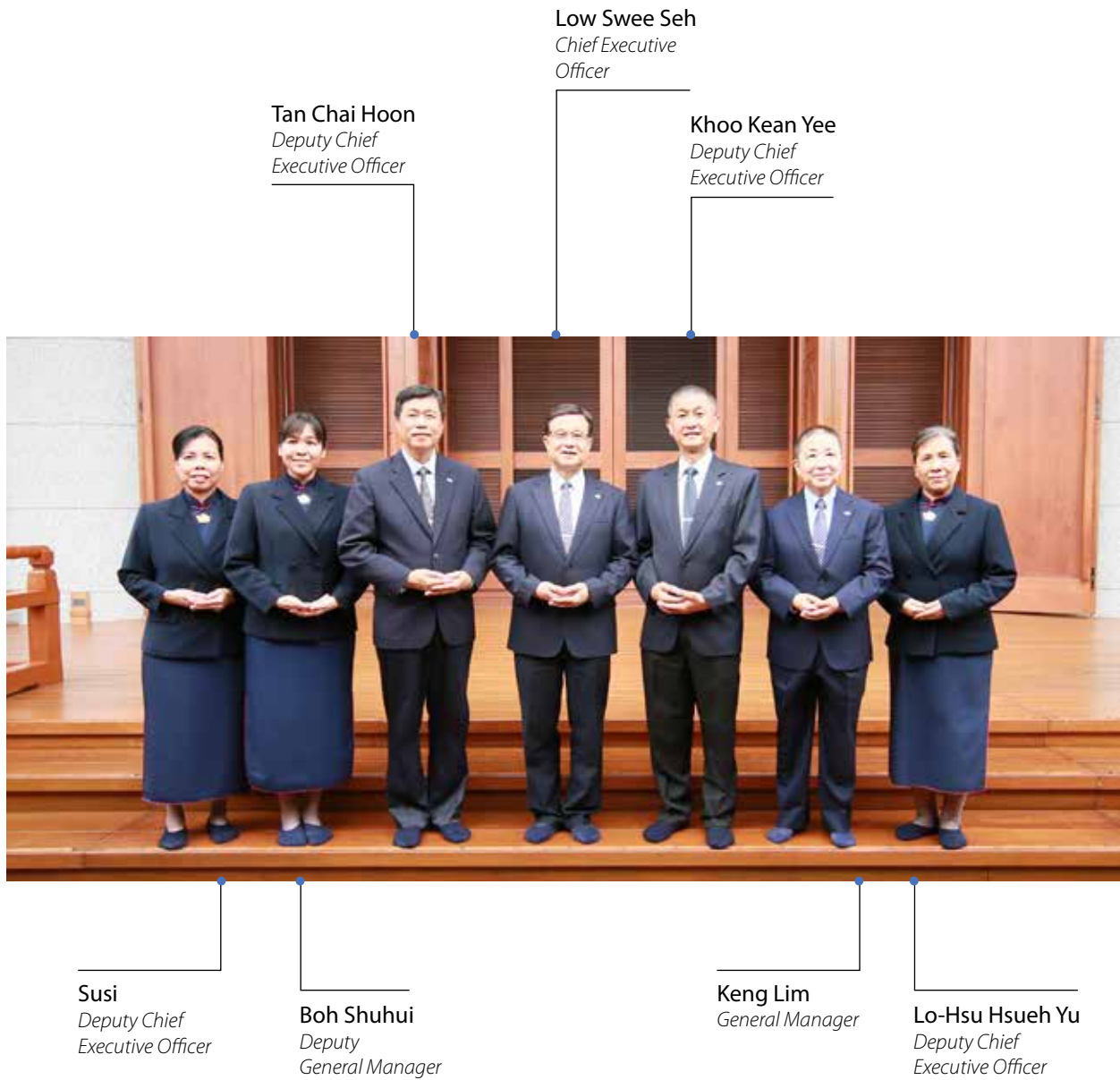
Yan Su Yuan
Secretary

Lin Pi-Yu
Member

Liu Ming-Ta
Member

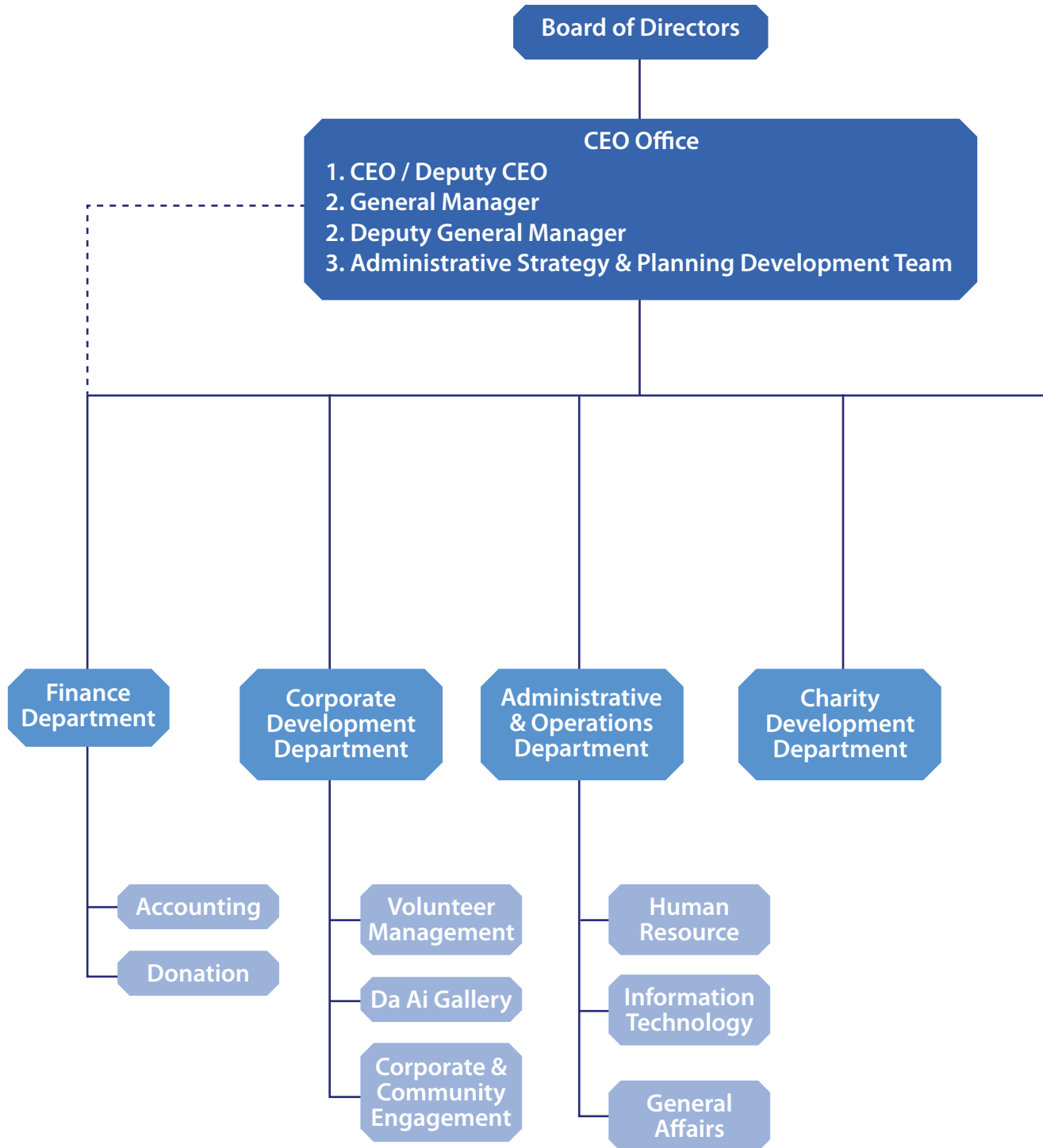
Absent with Apologies:
Lin Su-Yin *Member*
Teo Chee Seng *Member*

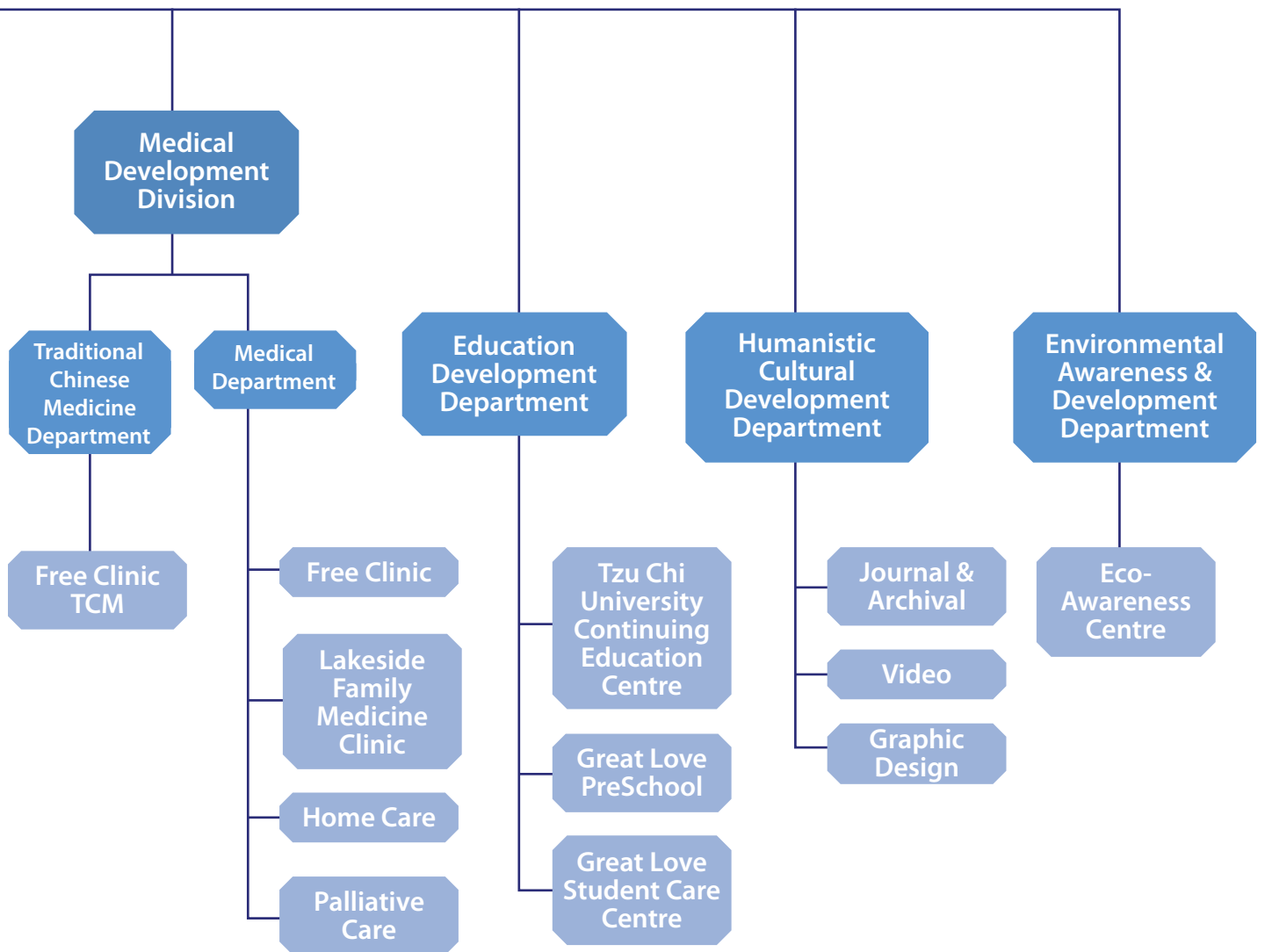
Management Committee



Tan Chai Hoon (*appointed on 11 October 2016*)
Boh Shuhui (*appointed on 1 September 2016*)

Organisational Structure





Tzu Chi Foundation (Singapore) at a Glance

Timeline

The seeds of Tzu Chi's Great Love have taken root in Singapore for close to 30 years. Back in 1987, Liu Jing Lian, who hailed from Taiwan, together with a few other volunteers in Singapore, worked to pave the way for the local Tzu Chi Charity Mission. In September 1993, the Singapore chapter of the Tzu Chi Foundation was officially registered, and it obtained its charity status in January the following year.

In October 2005, the Foundation relocated to its current premises (Jing Si Hall, Pasir Ris), and was renamed "Buddhist Compassion Relief Tzu Chi Foundation (Singapore)" in 2013.

1987 – 1996 Bringing Light to Dark Corners

In the early years of Tzu Chi Foundation in Singapore, volunteers organised gatherings in their homes to share about Tzu Chi's missions and spirit of Great Love with others. Over time, more and more people were inspired to join the ranks of volunteers. Needy families who needed financial assistance and care were referred by word of mouth to the volunteers, who would then conduct home visits to assess their needs and to provide regular care and aid.

Besides home visits, Tzu Chi also held monthly aid distribution events, where beneficiaries were served vegetarian meals and given a supply of items.

In addition, teams of volunteers visited a number of care institutions regularly, helping with cleaning, feeding the institutions' residents, giving them free haircuts, and bringing cheer to them.

1997 – 2006 Safeguarding and Saving Lives

With the goal of safeguarding people's health and life with love, the Tzu Chi Free Clinic was established in Chinatown in 2004. It served needy elderly residents and low-income families in the area by providing them with free GP, TCM, and dental services.

A TIMA (Tzu Chi International Medical Association) healthcare team comprising local healthcare

professionals volunteered at the Free Clinic on their rest days, organised health talks, and even made self-funded trips overseas to serve at Tzu Chi's medical relief missions.

At the end of 1998, a family member of an AIDS patient sought assistance from Tzu Chi. After that, Tzu Chi volunteers started visiting AIDS patients in the hospitals to assess their needs, and subsequently, Tzu Chi began providing them with subsidies for AIDS medications as well as regular care and emotional support. Currently, Tzu Chi is the Communicable Disease Centre's largest non-government sponsor of medications.

During the SARS outbreak in 2003, there was a sharp decrease in blood donations and the Singapore Red Cross started collaborating with Tzu Chi to hold blood donation drives in the community. The collaboration is in its 15th year now, and about 26,478 units of blood were collected over the years. Tzu Chi has also received the Blood Mobile Organizer Gold Award for 14 straight years.

2007 – 2015 Reaching Out to the Community

The essence of a religion is to help people find their goals in life and to guide them in their daily lives. Hence, apart from aiding the poor, Tzu Chi works to inspire and guide people to give of themselves to help others, thus enabling them to live a more meaningful and fulfilling life. In addition, it conducts various artistic classes that serve to instill humanistic values in people.

In 2005, Tzu Chi organised its volunteers island-wide into a network of communities and neighbourhoods. Apart from reaching out to the needy, volunteers also actively promoted recycling and environmental conservation in Tzu Chi's recycling points around Singapore. In the aftermath of the financial crisis in 2008, many families fell into financial straits. The following year, Tzu Chi started the Seeds of Hope Financial Assistance Scheme, which provided meal and transport allowances to needy students. The Scheme had benefitted about 17,222 cases, and volunteers made periodic visits to beneficiary schools and students' homes to conduct needs assessments, with the hope of providing the necessary assistance that would allow needy students to attend school with peace of mind.

2016 Widespread Missions of Great Love

As the Tzu Chi Foundation in Taiwan marked its 50th anniversary in 2016, Tzu Chi Foundation (Singapore) had established the Four Missions of Charity, Medicine, Education, and Humanistic Culture. Aid programmes and services offered by Tzu Chi include financial assistance for needy families and education grants for needy students, medical assistance for needy patients, and care and support for prison inmates.

In addition to the childcare centre established in 2014, Tzu Chi had set up a student care centre.

A recent milestone in Tzu Chi's Mission of Medicine is its collaboration with Jurong Health Services Pte. Ltd. to manage Lakeside Family Medicine Clinic with effect from 23rd November 2016.

In light of the aging population, Tzu Chi launched the Home Care Services in 2014 (a joint effort with the Agency for Integrated Care), which provides healthcare services to needy patients in the comfort of their home. In 2016, the services were expanded to include home palliative care for terminally ill patients.

On Tzu Chi's Flag Day in September 2016, more than 500 shifts of volunteers participated in the fund raising efforts. The funds collected were channelled into Tzu Chi's local charity programmes.

Earlier in May 2016, Tzu Chi Da Ai Gallery opened its doors to the public. Located amid lush greenery, the Gallery showcases Tzu Chi's missions around the world; it is also a peaceful sanctuary for relaxation and reflection.

Tzu Chi Foundation (Singapore) at a Glance

Overview of 2016 and Statistics

Mission of
Charity

Charity Mission is the fundamental mission of Tzu Chi Foundation (Singapore). With the principle of “addressing changing societal needs” in mind, Tzu Chi constantly reviews its existing programmes, their outcomes, and their impact on its beneficiaries. It is also always on an active lookout to support new charitable causes and potential collaborations.

Medicine

In 2016, the Charity department enriched its financial assistance programme, the “Seeds of Hope (SOH) Financial Assistance Scheme”, by bringing it to greater heights. After it was launched in 2009, the SOH Financial Assistance Scheme had aided many affected families to tide over the 2008 financial crisis and its aftermath, by providing meal and transport allowances to needy students in these families.

Education

Humanistic
Culture

For the past years, Tzu Chi has recognised that in addition to financial assistance, there is a greater need to assist students in developing a strong aptitude and a positive attitude in life. The “Seeds of Hope Meritorious Award” was thus added in 2014, and enhancements were made subsequently. In June 2016, the Charity team further value-added to the programme by organising educational camps for these students.

Environmental
Protection

Community
Volunteerism

Tzu Chi has also been providing HIV patients with both financial and emotional support in the past 18 years. In recognition of its efforts to support HIV-positive prison inmates, Tzu Chi was awarded the Red Ribbon Award by Action For AIDS (Singapore) in 2016.

Tzu Chi officially opened the Da Ai Gallery (first of its kind in the world) in May 2016, a milestone in the year. Nestled in a beautifully restored colonial house along Queen’s Avenue in Sembawang, the Gallery exhibits the history and latest developments of Tzu Chi in both the local and international context. It is definitely worth a visit and a welcoming break from the bustling city life.

In November 2016, Tzu Chi achieved another milestone in its Mission of Medicine by collaborating with Jurong Health Services to manage the Lakeside Family Medicine Clinic. Leveraging on this platform, Tzu Chi is able to reach out to and care for more residents in the community with chronic diseases. As the saying goes, prevention is better than cure; the clinic conducts health screening and health talks for the public, too.

For its other Missions, Education, Humanistic Culture, Environmental Protection, and Community Volunteerism, Tzu Chi remains committed to achieving their stipulated objectives.

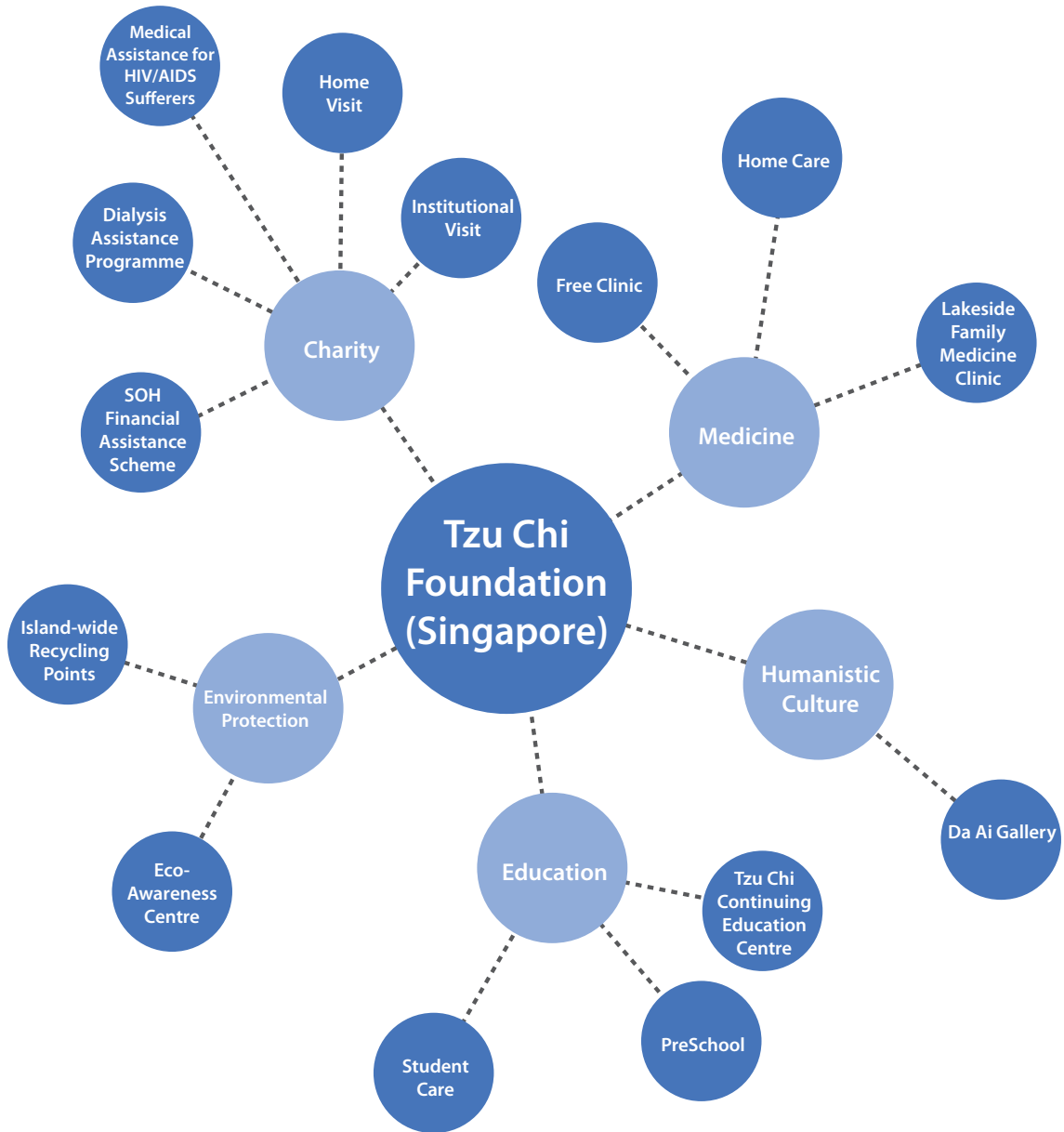


2016 Statistics



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

Map of Services

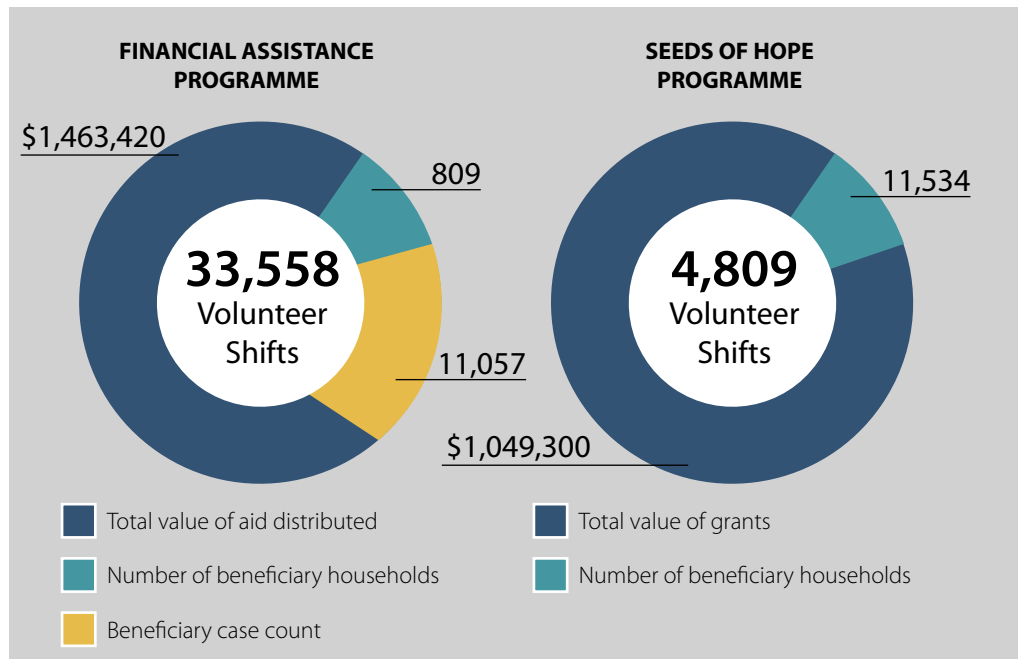


Map



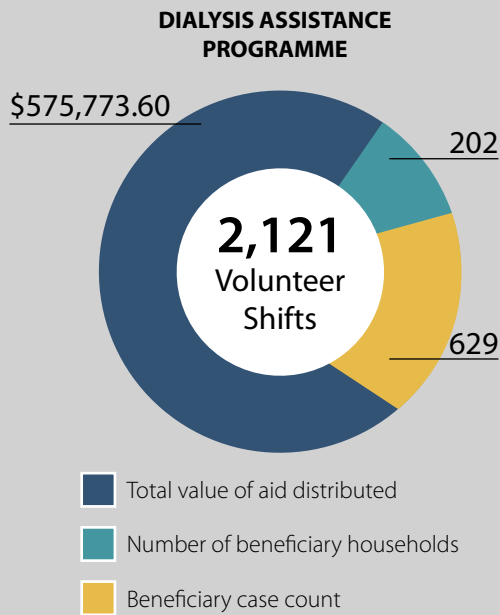
of Services

Mission of Charity



“When a person runs into mishaps or difficulties, not only should we provide for his material needs, but we must also provide long-term companionship to him. Then we can help ease his mind, and further inspire him towards good thoughts and encourage him towards charity for others.”

~ Master Cheng Yen, founder of Tzu Chi



Over time, living standards in Singapore have improved greatly and the pace of life has also accelerated; other significant social changes include lower birthrates and an increasingly aging population. Charity is the cornerstone of Tzu Chi Foundation (Singapore). For the past 20-plus years, it has responded to the rapid social changes in Singapore, by making adjustments and improvements to its various charitable programmes, so as to better serve the needs of the disadvantaged.

Tzu Chi's Mission of Charity aims to continually seek out unmet needs and to provide long-term assistance and care to the needy, regardless of race or religion. Volunteers island-wide make monthly home care visits to aid recipients and perform quarterly reviews, in order to cater for unmet needs or to terminate assistance for those who have attained financial independence. Through regular home visits, holding celebrations on festive occasions, etc., volunteers provide long-term care and emotional support to the beneficiaries.

In addition, they will share Tzu Chi's inspiring work and philosophy with them, and encourage them to give what they can back to society, thus allowing these recipients of aid to experience that it is truly a blessing to be able to give to help others in need.

Institutional Visits

Since its inception in Singapore, Tzu Chi has served 15 care institutions, such as psychiatric nursing homes, homes for the elderly, a leprosy home, etc. In 2016, the institutions served included the Institute of Mental Health, HCA Hospice Care, and SASCO Senior Citizen's Home. Tzu Chi volunteers will also invite members of the public to join as volunteers in group visits to these homes to shine their love and joyful blessings into these dark corners of our society.

Assistance for Maternity Patients

Starting from 2016, Tzu Chi has been partnering with KK Women's and Children's Hospital, to provide financial aid to needy pregnant women with PR status who are unable to obtain government grant, so that they can have regular pregnancy check-ups, for early treatment or prevention of pregnancy complications. In 2016, Tzu Chi helped 10 such aid recipients.



Assistance for Kidney Patients

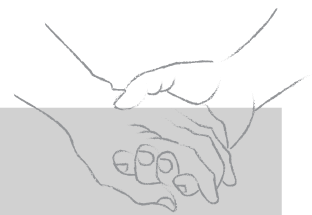
Needy kidney patients who require dialysis, are referred by hospitals to Tzu Chi, so that they may receive short-term financial aid, until their application for assistance from the NKF or other charity groups is successful. This interim aid will help to subsidize not only their dialysis costs, but may also cover other expenses incurred during the process of their dialysis treatments. In 2016, Tzu Chi helped 202 dialysis patients.

Assistance for AIDS Patients

Through the referral of the Communicable Diseases Centre (CDC), Tzu Chi helps AIDS patients to obtain urgently - needed medications, and its volunteers provide befriending and care services to these patients, encouraging them to live with dignity and quality of life. For 18 years, Tzu Chi has incessantly rendered financial aid as well as emotional support to HIV patients, and it is currently CDC's largest community sponsor of HIV drugs. In 2009, it expanded its circle of care to include HIV-positive prison inmates, and was honoured with the Red Ribbon Award by Action For AIDS (AFA) Singapore in 2016.

Assistance for Needy Students

The "Seeds of Hope Financial Assistance Scheme" was launched in response to the global financial crisis in 2009, and the Seeds of Hope Meritorious Award was added in 2014. Through monthly home visits, in-depth care and guidance, volunteers help potential awardees (school students from disadvantaged families) to cultivate a positive attitude to meet the challenges in life. Tzu Chi also partners with three local universities, Singapore Management University, Singapore Institute of Technology, and Singapore University of Technology and Design, to provide needy students with education grants. In 2016, Tzu Chi helped 30 such students.

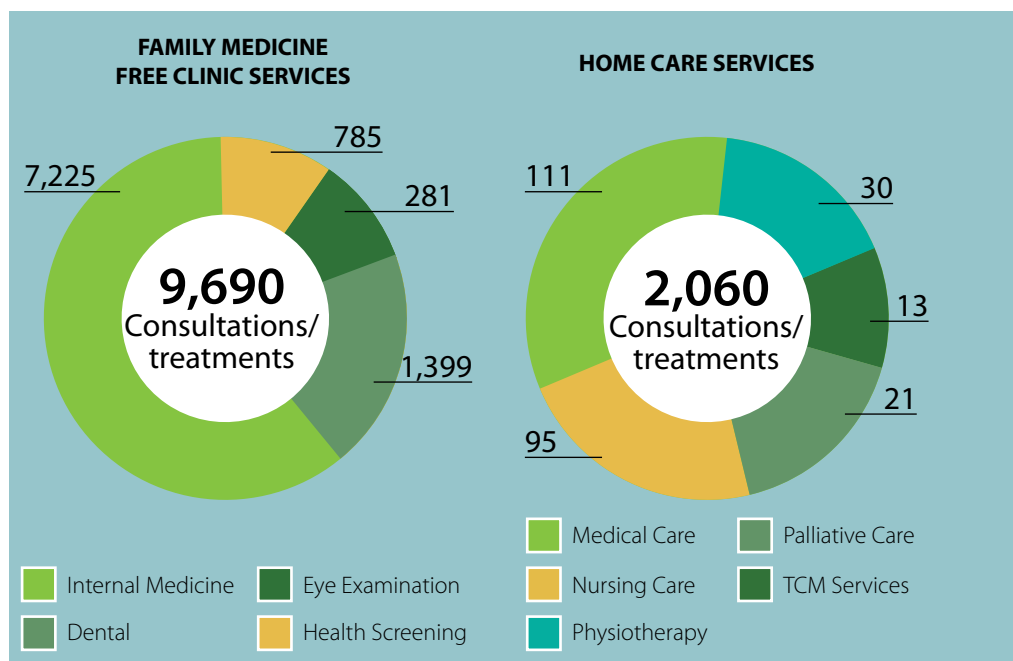


In the aftermath of her (late) husband's death from illness in 2013, housewife Ah Xiang and her children fell into dire financial straits. Faced with a barrage of life challenges, including their outstanding housing loan, need to secure a job, and her children's education, she could not help but feel distraught and helpless. However, she couldn't bring herself to accept Tzu Chi's offer of aid initially.

Through frequent visits to her home, volunteers were able to quietly observe and help Ah Xiang in her daily needs. When she needed to move to a new home, volunteers mobilised themselves to assist in handling the logistics of moving house. Feeling the sincerity and dedication of the volunteers, she was able to confide in them and feel at ease.

Relying on her meagre income as a canteen assistant and on government welfare, Ah Xiang lives frugally and tries her best to maintain her family of four. She has even learned from the volunteers that she could help others in need by adopting a Tzu Chi bamboo coin bank. Together with her children, she sets aside a small amount of money for charity and saves it in the coin bank daily.

Mission of Medicine



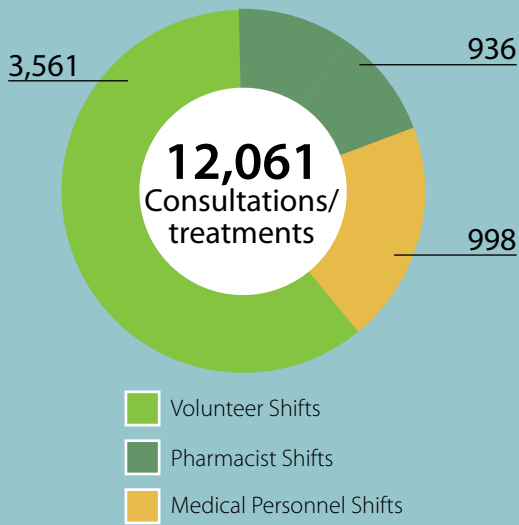
“ To build a hospital in the rural area is to meet the shortfalls in medical resources; whereas to build a hospital in the metropolitan area is to re-establish warm ties between doctors and patients. It is not enough to have cutting edge technology; our medical team must be able to give humane care to patients – this is the hallmark of Tzu Chi.”

~ Master Cheng Yen, founder of Tzu Chi

Singapore’s outstanding healthcare services rival the best in the Asia Pacific region. In 1999, a group of caring healthcare professionals came together and formed the Tzu Chi International Medical Association (TIMA Singapore). They brought medical services to the outlying regions of neighbouring countries, where medical resources were scarce. The power of this medical initiative gradually gained momentum and took root locally. With the establishment of Tzu Chi Free Clinic in the Chinatown area in 2004, the Mission of Medicine began to take shape in Singapore.

In November 2008, the Free Clinic was relocated to Redhill, and it continued the humanistic mission of providing quality healthcare to the elderly and destitute residents. With an aging population, coupled with

TCM FREE CLINIC SERVICES



the escalating medical costs in Singapore, Tzu Chi Foundation (Singapore) began promoting the concept, "Prevention is better than cure". As such, it proposed the setting up of a health screening centre, and finally in August 2010, after gaining the support of the grassroots organisation in Yuhua, the Tzu Chi Free Health Screening Centre was finally established to provide free health screening and information to the public.

Tzu Chi also saw the increasing needs of home care among residents, and launched the "Home Care Services" and "Home Palliative Care" in 2014 and 2016 respectively, in collaboration with the Agency for Integrated Care (AIC). These two programmes provide personal healthcare for the comfort of patients and peace of mind for their families.

The two free clinics also allow opportunities for TIMA Singapore's volunteer medical professionals to contribute back to society, while at the same time driving the culture towards humanistic healthcare. The medical volunteers also partner with Tzu Chi's community volunteers to run various activities, such as blood donation drives, health-screenings, health talks, etc. In April 2016, Tzu Chi signed a two-year Memorandum of Understanding with the Ren Ci Nursing Home to provide free monthly dental services in the care institution. To date, 285 dental checkups and treatments were given.

Tzu Chi Free Clinic

The Free Clinic provides weekly medical and dental services every Sunday, and these services are targeted at disadvantaged individuals, such as elderly people living alone, seniors from low income families, Tzu Chi's aid recipients, etc. The Traditional Chinese Medicine unit of the Free Clinic is opened to the public, from Monday to Friday and on Sunday.



Lakeside Family Medicine Clinic

Tzu Chi started taking over the operations of Lakeside Family Medicine Clinic with effect from 23rd November 2016. The clinic provides five and a half days of outpatient services per week, with a primary focus on the prevention and care of chronic diseases. Apart from the treatment and management of various acute conditions and 17 kinds of chronic illnesses listed in the Chronic Disease Management Programme (CDMP), it also offers health screening, laboratory services, dietetic consultations, pharmacy and dispensary services, etc.

Under the "Healthcare 2020 Masterplan", Lakeside Family Medicine Clinic is a primary healthcare provider; it collaborates with Ng Teng Fong General Hospital and Jurong Community Hospital, following up on patients discharged from these hospitals by providing them with continued medical care. The clinic is open to the public, and by tapping on Tzu Chi's charity resources, it offers subsidized care to needy, low-income patients, and refers cases that need financial aid and emotional care to Tzu Chi.

Tzu Chi Free Health Screening and Medical Clinic

In July 2011, the Tzu Chi Free Health Screening Centre became the Tzu Chi Free Health Screening and Medical Clinic. Besides health screening services, the clinic also provided internal medicine, dental and eye screening services. In November 2016, Tzu Chi started collaborating with Jurong Health Services Pte Ltd to manage the Lakeside Family Medicine Clinic, and the Free Health Screening and Medical Clinic will be converted into a day rehabilitation centre in 2017.



"Find cure; live for my family. Thank you!" Ee Hun Chong, a sufferer of amyotrophic lateral sclerosis typed out these words on a tablet computer by operating a mouse with his feet. The short, crisp sentence that appeared on the screen portrayed a strong will to live in a man who is unable to speak through his own lips, but does not begrudge his challenging life circumstances.

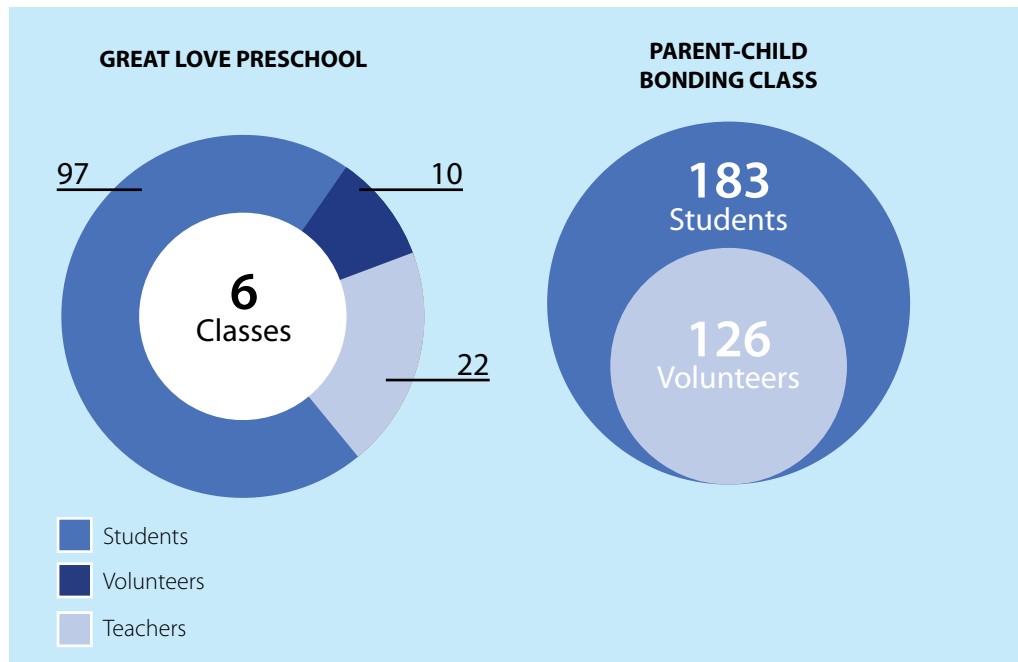
Amyotrophic lateral sclerosis (ALS) is a neurodegenerative disease that leads to severe muscle atrophy. Ee Hun Chong was first diagnosed with the disease in 2010 and three years after the initial onset, his condition deteriorated very rapidly, to the point that he couldn't even speak or take care of his own basic needs. In June 2014, the Tzu Chi Home Care Services team visited him to examine his condition after receiving his case; and in April the following year, physiotherapist, Vinoth, joined the Home Care team and started giving him physiotherapy.

Vinoth also took the opportunity to share some rehabilitation exercises with Ee's caregiver. His caregiver was very appreciative of Vinoth's efforts, and shared that it was hard for her to hold Ee up in the past, but now, she only needed to support him lightly as he was able to use his own strength to lift himself.

The Home Care team also provided feedback on Ee's condition to Tan Tock Seng Hospital and with the hospital's assistance, managed to borrow a breathing aid for him. As Ee's body was quite weak as a result of malnutrition, the Home Care team referred his case to Tzu Chi, which subsequently provided him with supplies of nutrition powder and an adjustable reclining bed for better sleep comfort at night.

Ee bravely maintains a positive outlook on life without self-pity. His only hope is to see his children grow up, and he is striving very hard each day towards this goal. At the Tzu Chi Year End Appreciation ceremony in January 2017, he appeared on the stage to share his testimony and expressed deep gratitude to Tzu Chi by blinking his eyes, garnering the audience's thunderous applause and loud cheers for his courage.

Mission of Education



“ We can bring beauty to our lives, starting from education.”

~ Master Cheng Yen, founder of Tzu Chi



Tzu Chi believes that “education” is not limited to formal schooling, but rather, it is relevant to people of all ages and from all walks of life. In fact, all of Tzu Chi’s Missions aim to develop the whole human being. To achieve this goal, Tzu Chi Foundation (Singapore) has established a Teachers’ Association, Collegiate Youth Association, Teenagers’ Class, Parent-Child Bonding Class, and the Great Love Mothers’ team. The team of Great Love Mothers conducts a weekly programme in character education based on Jing Si Aphorisms in two primary schools, teaching values and ethics through a variety of fun and interesting activities.

The monthly Teenagers’ Class and Parent-Child Bonding Class include lessons and activities that aim to encourage and guide the young to do good and to practise filial piety. Members of the Tzu Chi Collegiate Youth Association, who are students from various tertiary institutions, work to promote healthy vegetarianism and environmental conservation, as well as make monthly care visits to a nursing home and volunteer at the free clinics during their free time.

In 2014, Tzu Chi Great Love PreSchool, a childcare centre, was established and subsequently the Tzu Chi Great Love Student Care Centre was also established in December 2016, welcoming its first batch of students the following January. Both centres are located in the northern district of Singapore.

TEENAGERS' CLASS

COLLEGIATE YOUTH ASSOCIATION



Tzu Chi Continuing Education Centre

Inaugurated in February 2006, the Tzu Chi Continuing Education Centre (Singapore) offers various courses to promote lifelong learning, and accepts students of different age groups and educational backgrounds. Apart from learning useful skills and knowledge, students benefit from the sharing of humanistic values and experiences in class, which helps to improve their emotional and mental well-being. In 2016, the centre offered 35 classes with a total enrolment of 918 students.



Tzu Chi Great Love PreSchool

Situated in the Chong Pang neighbourhood in Yishun, Tzu Chi Great Love PreSchool aims to provide young children with a quality, all-rounded education, with a strong emphasis on character development and the learning of life skills. Occupying an area of 5,264 square metres, the PreSchool offers infant care and child care, and accepts children from two months to six years old. It has attained SPARK Certification and was fully enrolled in 2016, with 90 kindergarteners and seven infants, and a student-teacher ratio of 97:22.



Six-year-old Tzu Chi Great Love PreSchool student Boo Ray Sheng used to dislike interacting with other people, and he would scream and cry whenever he met with a situation he found unpleasant. He counted drawing and reading as his favourite activities, and would depend on his mother for all his daily tasks, such as brushing his teeth, eating and bathing.

His teacher, Chong Voon Hwee, shared that for the first six months after he was transferred to the PreSchool, Ray Sheng showed no interest in interacting with his classmates. And whenever the boy threw a tantrum, she would let him wait at one side; only after he had calmed down would she go over to console him. Finally, in the next half of the year, small changes were seen in him - he made some good friends and started to mingle with the other children. Gradually, he learned to say "thank you" and would even greet his teachers politely when he arrived in school.

Under the patient guidance of his teachers, Ray Sheng now knows how to wash his own bowl and shoes, and put away his own clothes. His mother also learned about recycling from him, and the mother and son now collect recyclables at home, which they will put into the recycling bins near their apartment.

Mission of Humanistic Culture



“The mass media should showcase love, enabling people to witness images of love and feel its power, so that they may be inspired towards good deeds.”

~ Master Cheng Yen, founder of Tzu Chi



The values of compassion, loving-kindness, joy, and equanimity are the essence of Buddhism. Since its humble beginnings in Hualien, Tzu Chi has focused its efforts on the Four Missions of Charity, Medicine, Education, and Humanistic Culture. Through these missions, it aims to guide people's minds towards goodness and to elevate human character. Inspiring news and countless moving real life stories and news about the Missions have been recorded in Tzu Chi's publications and broadcasted on Tzu Chi Taiwan's Da Ai Radio and TV. These different forms of media are invaluable resources that not only serve to record the history of Tzu Chi, but more importantly, to bear witness to our times.

Tzu Chi Foundation (Singapore) publishes locally, the "Tzu Chi World Journal", a bilingual English-Chinese magazine that serves to update its readers with the latest news and developments in Tzu Chi's local and global missions. Tzu Chi also records for posterity, the silent contributions of countless volunteers and promotes humanistic values on its websites and social media. The establishment of the Tzu Chi Da Ai Gallery in Singapore in 2016 was a feather in the cap for the year that marked Tzu Chi Taiwan's 50th anniversary.

Tzu Chi Da Ai Gallery



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



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



Tzu Chi volunteer Lee Teck Hock was hooked on drugs at the tender age of 15, and although the two years he spent in a reform institution had helped him to kick the drug habit, it was only at the age of 52 that he experienced a sudden awakening. Lee spent more than 30 years lost in an aimless life, and was never far from cigarettes, drinks, gambling, family violence or debts. Faced with a husband who neglected his family

responsibilities, his wife Guo Ren Dai had no choice but to take up the heavy responsibility of raising the family herself. For eight years, she drove about 16 hours of taxi daily, and through her daily toils on the road, she raised their three sons.

In 2011, during a tour in Taiwan with his family, Lee watched an episode of "Life's Wisdom" (Master Cheng Yen's Dharma talk programme) on Da Ai TV. When he heard the Master say, "A man must learn to be fearful", he felt as though she were sternly admonishing him. At the time, the Da Ai drama serial being screened was depicting a suffering mother and her son who was addicted to

gambling, and it struck him that the story seemed to be a reflection of his own life. This led him to realize how much hurt he had caused his loved ones by his selfish actions.

Lee decided to quit smoking and drinking, and started volunteering with Tzu Chi with his family after returning to Singapore. He even broke contact with his gambling friends and started learning the Dharma. For the first time in his life, he felt a true sense of joy and being grounded. "I've finally found my direction in life. I can't think of anything else, except to walk on the Tzu Chi Path," said Lee.



Mission of Environmental Protection



451,235 kg
Total amount of paper
recyclables collected in 2016



9,025
Number of 20-year-old
trees saved

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

37
recycling points
island-wide

“ If we can reduce our material attachments in this life, and live a life that is more attuned to the rhythms of Mother Nature by simplifying our lives, we will be able to help lower the earth’s temperature. This is every man’s responsibility and mission. We do not live only for ourselves, but also have a duty to protect our planet’s health for posterity.”

~ Master Cheng Yen, founder of Tzu Chi



In response to Master Cheng Yen’s call, Tzu Chi volunteers live out the ethos of an environmentally conscious lifestyle, by bringing their own recyclable utensils when they eat out, cutting down on unnecessary spending, treasuring the earth’s limited resources, and adopting a vegetarian diet, in an effort to reduce carbon footprints and to protect life.

In 1998, volunteers from Tzu Chi Foundation (Singapore) started the first recycling point in Jurong West. To date, there are 37 community recycling points island-wide. The second Sunday of each month is Tzu Chi’s Recycling Day, where residents will join the volunteers in recycling activities. They will gather at a recycling point (situated mostly at the void deck of an HDB block) to sort the collected recyclables either for recycling or for resale. In addition, the volunteers will share with the residents information about environmental protection.

Proceeds from the sale of the recyclables are currently channelled to Tzu Chi’s Development Fund. The recycling points have become meccas of recycling knowledge for schools, enterprises, and other NGOs, which have sent students, staff and volunteers over to learn about recycling. The programme is so well-received that the Northwest CDC has partnered with Tzu Chi to promote recycling in their community, and allows Tzu Chi volunteers to set up more recycling points together with the Residential Committee’s members.

For three consecutive years from 2014 to 2016, Tzu Chi was invited by the National Environment Agency (NEA) to participate in the “Clean & Green Carnival”. At the event, volunteers set up booths on topics related to environmental protection and shared with people about water conservation.



Tzu Chi Eco-Awareness Centre

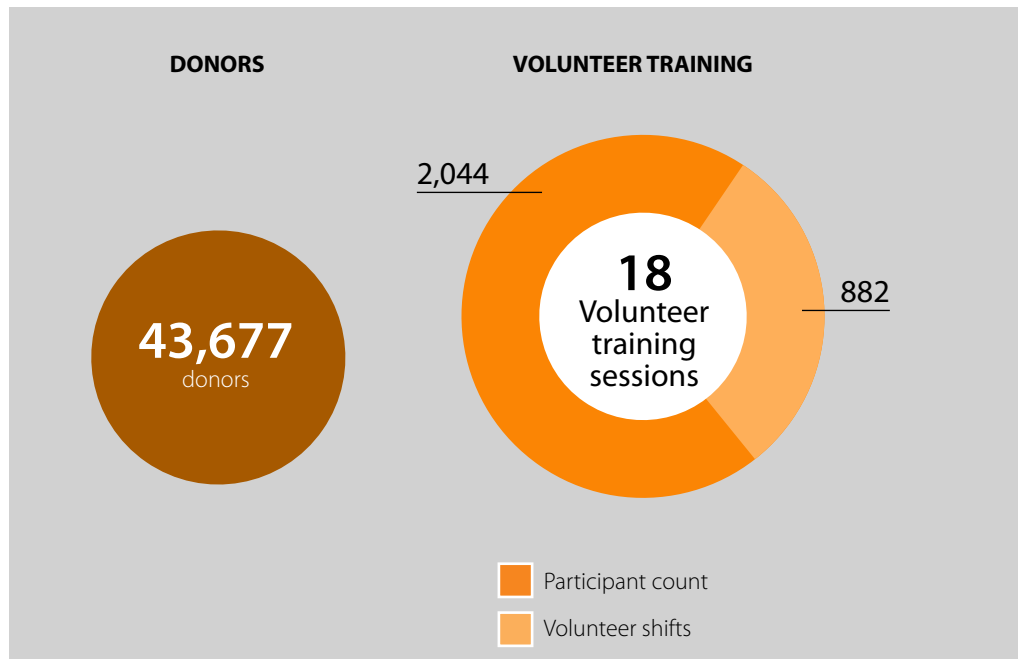
In August 2014, the Tzu Chi Eco-Awareness Centre, which is located within an industrial estate in Woodlands, was officially opened. Unlike the community recycling points, the Centre is opened six days a week and equipped with a wealth of exhibits on the topic of environmental protection. Many Residential Committees have conducted tours and visits to the Centre for residents, so that they can learn how to live a more eco-friendly lifestyle.



Research has shown that 30% of greenhouse gas emissions are attributed to global agriculture, which is dominated by livestock production and the grains grown to support it. Hence, a vegetarian diet is one of the most direct and effective ways to curb global warming. Committed Tzu Chi volunteers and husband-and-wife Jian Zhi Xing and Chen Sai Zhen, together with their two children and domestic helper have become vegetarians. Jian's parents were initially concerned that he would suffer from malnutrition. Thus he explained to them the significance of adopting vegetarian diets in helping to protect our planet, before finally getting their agreement with his new dietary choice.

Chen Sai Zhen, who works in the logistics sector, actively shares with her foreign clients information about vegetarianism and environmental protection. Much to her pleasant surprise, many of them have responded positively to her suggestions. A client who lived thousands of miles away even said, "It isn't that difficult to go without meat after all!"

Mission of *Community Volunteerism*



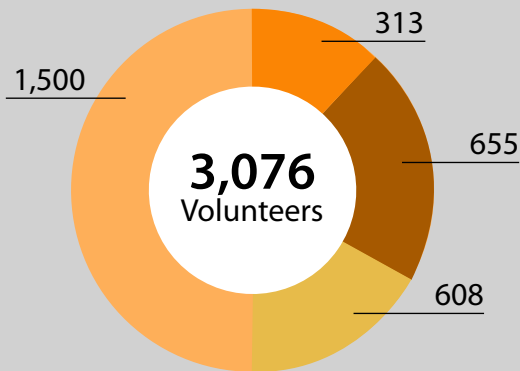
“ *I hope that everyone living in the same community can be inspired to bring forth their love to help and care for one another. Then, if a disaster occurs, people within the community can work together with love and provide timely help to those in need.*”

~ Master Cheng Yen, founder of Tzu Chi

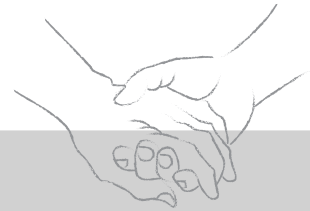
Tzu Chi Foundation (Singapore) has close to 3,076 volunteers that are divided into North, South, Central and West Zones, thereby forming a close-knit network of volunteers within each geographic zone. Through various community activities, such as home visits to aid recipients, blood donation drives, health-screening, recycling, etc., they work to serve the needs within each community, while also encouraging residents to join the ranks of volunteers.

Other than the Jing Si Hall in Pasir Ris, there are active bodies of Tzu Chi volunteers all over the island, demonstrating the footprints of Great Love by reaching into the hearts of communities. Each year, Tzu Chi conducts many rounds of volunteer training, sharing sessions, book clubs, etc., so that besides doing good work, volunteers may also grow spiritually and cultivate wisdom, as they share volunteering experiences with one another.

VOLUNTEERS



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



36-year-old Tony Ng Hee Kiat was born with paralysis in his right torso. He is slower than the average person and cannot speak clearly. After his graduation from a special education school, he has worked in Cerebral Palsy Alliance Singapore (CPAS) for 19 years. Through his hard work and dedication, he manages to earn some income and integrate into society.

Tony used to have a bad temperament due to his physical condition and family situation. Three years ago, his aunt brought him to attend Buddhism class, and in 2015, his older cousin, Wu De Hong took him to Tzu Chi's recycling point in Ang Mo Kio to learn to do recycling. Subsequently, he joined Tzu Chi as a volunteer.

The community volunteers are like family to Tony. They warmly guided and cared for him, helping him to progressively exceed his limitations as he gradually involved himself in Tzu Chi activities, such as recycling, home visits, sign language presentations, etc. "There is no point in being angry about life. Life is short, so I should live happily and be even more dedicated (in doing Tzu Chi's work)," said Tony.

CORPORATE GOVERNANCE

Board

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

The Board ensures that Tzu Chi also has processes in place to ascertain its compliance with all applicable laws, rules and regulations, such as the requirements in Financial Reporting Standards (FRS) and the Code of Governance for Charities and Institutions of Public Character (IPCs).

As part of Tzu Chi's constant efforts to enhance the key corporate governance initiatives, internal auditors were engaged in the fourth quarter of financial year 2016 to perform audit on the Conflict of Interest policy and procedures, and to provide advisory service for the implementation of the Whistleblowing policy. The revised Conflict of Interest policy and the new Whistleblowing policy will be officially implemented in financial year 2017.

Day-to-day management activities of Tzu Chi are delegated by the Board to the management team headed by the Chief Executive Officer (CEO). New significant activities and transactions require the approval of the Board. The Board also reviews and approves the annual budget prepared by the management.

Annually, Tzu Chi performs the online governance evaluation on the extent of its compliance with the essential guidelines in the Code of Governance for Charities and IPCs via the charity portal. The Governance Evaluation Checklist for the period 1 January 2016 to 31 December 2016 can be viewed on the Charity Portal www.charityportal.gov.sg after 30 June 2017.

CORPORATE GOVERNANCE

Sub-Committees

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

Sub-Committees from 1 January 2016 to 31 December 2016

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

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

Fundraising Committee	
Chairman	Sim Hee Chew
Member	Low Swee Seh
Member	Ng Chuan Lim
Member	Keng Lim
Member	Sim Sem Peng

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

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

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

* Ms Boh Shuhui resigned from the Audit Committee on 31 August upon her joining the Foundation as an employee.

** Ms Lim Wah Chun and Mr Sok Hang Chaw were elected to be Audit Committee members in December 2016, subsequent to Ms Boh Shuhui's resignation.

CORPORATE GOVERNANCE

Policy on Conflict of Interest

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

Such conflict of interest situations include but are not limited to the following:

a) Contract with vendors

Where board members, management, staff or volunteers have personal interest in business transactions or contracts that Tzu Chi may enter into, there should be a policy requiring a declaration of such interest as soon as possible followed by abstention from discussion and decision-making on the matter (including voting on the transaction or contract). All such discussion and evaluation by the Board or relevant approving authority in arriving at the final decision on the transaction/contract should always be well documented.

b) Vested interest in other organisations that have dealings/relationship with the Foundation

Where board members, management, staff or volunteers who have vested interest in other organisations that have dealings/relationship with Tzu Chi, and when matters involving the interests of both Tzu Chi and the other organisations are discussed, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on such matters.

c) Joint ventures

The Board's approval should be sought before Tzu Chi enters into any joint venture with external parties. Where board members, management, staff or volunteers have interest in such ventures, there should be a policy requiring a declaration of such interest and if necessary, followed by abstention from discussion and decision-making on the matter.

d) Recruitment of staff with close relationship

Recruitment of staff with close relationship (i.e. those who are more than just mere acquaintances) with current board members, management, staff or volunteers should go through the established human resource procedures for recruitment. The board member, management, staff or volunteer should make a declaration of such relationships and should refrain from influencing decision on the recruitment.

e) Remuneration

Board members and volunteers should serve without remuneration for their voluntary services to Tzu Chi so as to maintain the integrity of serving for public trust and community good instead of personal gain. However, Tzu Chi may reimburse board members or volunteers for out-of-pocket expenses directly related to the service.

f) Paid staff on board

Paid staff, including the executive head and senior staff employed by Tzu Chi, should not serve as a member of the Board as it can pose issues of conflict of interest and role conflicts, and may raise doubts on the integrity of board decisions. The executive head and senior staff can attend board meetings, ex-officio, to provide information and facilitate necessary discussion, but should not take part in the decision-making of the Board.

g) Major donors/ representatives from major donor companies being on the Foundation's board

Potentially conflicting situations may arise where a major donor sits on Tzu Chi's board, such as the following:

- Conflict of loyalty
- Use of information to influence donor decisions
- Pressure to release additional information to donor
- Personal benefit/ gain/ recognition

h) Others

Prohibition on gifts, entertainment and other favours from any persons or entities that do or seek business with Tzu Chi.

The disclosure policy and procedures are as follows:

- 1) Transactions with parties with whom a conflicting interest exists may be undertaken only if all of the following are observed:
 - a) The conflicting interest is fully disclosed
 - b) The person with the conflict of interest is excluded from the discussion and approval of such transaction
 - c) A competitive bid or comparable valuation exists
 - d) The board has determined that the transaction is in the best interest of the organization
- 2) Disclosure involving board members should be made to the board chairman (or if he/she is the one with the conflict, to the board secretary), who shall bring these matters to the Board.
- 3) The Board shall determine whether a conflict exists and in the case of an existing conflict, whether the contemplated transaction may be authorized as just, fair and reasonable to Tzu Chi. The decision of the Board on these matters will rest in their sole discretion, and their concern must be the welfare of Tzu Chi and the advancement of its purposes.
- 4) All decisions made by the Board on such matters shall be minuted and filed.
- 5) This policy document must be read and understood by all board members, staff and volunteers upon the start of office.
- 6) Any disclosure of interest made by board members where they may be involved in a potentially conflicting situation(s) must be recorded, filed and updated appropriately by all specified parties.

Note: Internal auditors were engaged to review the current Conflict of Interest policy and procedures. The revised policy will be officially implemented in financial year 2017.

**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 2016

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Statement by Directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to present fairly, in all material respects, the state of affairs of Buddhist Compassion Relief Tzu-Chi Foundation (Singapore) (the "Foundation") as at 31 December 2016 and of the results, changes in accumulated funds and cash flows of the Foundation for the reporting year then ended; and
- (b) at the date of this statement there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they fall due.

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

On behalf of the directors



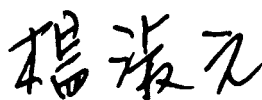
.....
Ms. Toh Kim Kiat

President



.....
Mr. Ong Wee Heng

Honorary Treasurer



.....
Ms. Yan Su Yuan

Honorary Secretary

Singapore

(19 June 2017)

**Independent Auditor's Report to the Members of
Buddhist Compassion Relief Tzu-Chi Foundation (Singapore)**
(Registered under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

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 2016, and the statement of financial activities, statement of changes in accumulated funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the Act), Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations) and the Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Foundation as at 31 December 2016 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. The annual report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

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

– 2 –

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

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

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

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

Auditor's responsibilities for the audit of the financial statements

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

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

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

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

- (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.

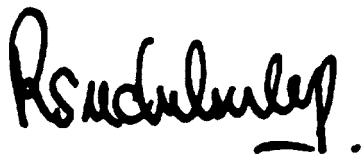
Report on other legal and regulatory requirements

In our opinion,

- (a) The accounting and other records required by the Societies Regulations enacted under the Societies Act to be kept by the Foundation have been properly kept in accordance with those Regulations; and
- (b) the fund-raising appeals held during the reporting year have 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 for the fund-raising appeals.

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

- (a) The use of the donation moneys was not in accordance with the objectives of the Foundation as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) The Foundation has not complied with the requirements of regulation 15 of the Charities (Institutions of a Public Character) Regulations.



RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

Partner-in-charge of audit: Chan Sek Wai
Effective from year ended 31 December 2012

(19 June 2017)

Statement of Financial Activities

For the Reporting Year Ended 31 December 2016

2016	Unrestricted funds				Restricted funds				Total
	General Fund	Local Relief Fund	Designated Fund	Sub-Total	Malaysia Flood Relief Fund	Nepal Earthquake Relief Fund	Local Building Fund	Sub-Total	
INCOMING RESOURCES	\$	\$	\$	\$			\$	\$	\$
Voluntary income	1,334,205	3,976,226	-	5,310,431	-	-	-	-	5,310,431
Charitable income	1,417,033	3,224	-	1,420,257	-	-	-	-	1,420,257
Funds generating activities	118,505	956,624	-	1,075,129	-	-	-	-	1,075,129
Interest income	66,766	83,546	-	150,312	-	-	44,571	44,571	194,883
Sundry income	311,515	259,514	-	571,029	-	-	-	-	571,029
Government grant	-	531,055	214,624	745,679	-	-	-	-	745,679
Amortisation of deferred capital grants	39,462	9,217	54,471	103,150	-	-	-	-	103,150
Total incoming resources	3,287,486	5,819,406	269,095	9,375,987	-	-	44,571	44,571	9,420,558
RESOURCES EXPENDED									
Costs of generating voluntary income: fund raising	248,346	191,693	-	440,039	-	-	-	-	440,039
Costs of charitable activities: welfare services, homecare support expenses and cultural activities	1,484,852	4,854,071	240,000	6,578,923	-	-	-	-	6,578,923
Costs of charitable activities: overseas donations	-	-	-	-	-	-	-	-	-
Administrative costs	1,416,078	229,241	-	1,645,319	-	-	50,000	50,000	1,695,319
Total resources expended	3,149,276	5,275,005	240,000	8,664,281	-	-	50,000	50,000	8,714,281
Surplus/(deficit) for the reporting year	138,210	544,401	29,095	711,706	-	-	(5,429)	(5,429)	706,277
Balance at 1 January 2016	7,715,986	8,807,369	60,092	16,583,447	-	-	3,188,638	3,188,638	19,772,085
Balance at 31 December 2016	7,854,196	9,351,770	89,187	17,295,153	-	-	3,183,209	3,183,209	20,478,362

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

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

Statement of Financial Activities

For the Reporting Year Ended 31 December 2016 (cont'd)

2015	Unrestricted funds				Restricted funds				Total
	General Fund	Local Relief Fund	Designated Fund	Sub-Total	Malaysia Flood Relief Fund	Nepal Earthquake Relief Fund	Local Building Fund	Sub-Total	
	\$	\$	\$	\$			\$	\$	\$
INCOMING RESOURCES									
Voluntary income	2,476,292	4,083,398	–	6,559,690	–	–	–	–	6,559,690
Charitable income	1,921,955	–	–	1,921,955	–	–	–	–	1,921,955
Funds generating activities	128,189	954,763	–	1,082,952	938,566	2,057,715	–	2,996,281	4,079,233
Interest income	50,702	72,876	–	123,578	–	–	36,704	36,704	160,282
Sundry income	58,410	146,252	–	204,662	–	–	–	–	204,662
Government grant	1,425	350,528	120,000	471,953	–	–	–	–	471,953
Amortisation of deferred capital grants	39,333	771	34,715	74,819	–	–	–	–	74,819
Total incoming resources	4,676,306	5,608,588	154,715	10,439,609	938,566	2,057,715	36,704	3,032,985	13,472,594
RESOURCES EXPENDED									
Costs of generating voluntary income: fund raising	247,326	191,304	–	438,630	3,400	3,973	–	7,373	446,003
Costs of charitable activities: welfare services, homecare support expenses and cultural activities	1,623,523	4,881,114	120,000	6,624,637	–	–	–	–	6,624,637
Costs of charitable activities: overseas donations	–	–	–	–	935,166	2,053,742	–	2,988,908	2,988,908
Administrative costs	1,229,212	229,714	–	1,458,926	–	–	50,000	50,000	1,508,926
Total resources expended	3,100,061	5,302,132	120,000	8,522,193	938,566	2,057,715	50,000	3,046,281	11,568,474
Surplus/(deficit) for the reporting year	1,576,245	306,456	34,715	1,917,416	–	–	(13,296)	(13,296)	1,904,120
Balance at 1 January 2015	6,139,741	8,500,913	25,377	14,666,031	–	–	3,201,934	3,201,934	17,867,965
Balance at 31 December 2015	7,715,986	8,807,369	60,092	16,583,447	–	–	3,188,638	3,188,638	19,772,085

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

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

Statement of Financial Position

As at 31 December 2016

	Notes	2016 \$	2015 \$
Assets			
Non-current assets			
Plant and equipment	9	1,550,071	1,316,639
Other assets, non-current	12	750,000	800,000
Total non-current assets		2,300,071	2,116,639
Current assets			
Inventories	10	86,612	264,195
Other receivables	11	408,171	503,587
Other assets, current	12	137,137	184,744
Cash and cash equivalents	13	19,668,198	18,763,387
Total current assets		20,300,118	19,715,913
Current liabilities			
Trade and other payables	14	1,026,788	1,385,479
Other liabilities	15	1,095,039	674,988
Total current liabilities		2,121,827	2,060,467
Net assets		20,478,362	19,772,085
The accumulated funds of the Foundation			
Unrestricted funds			
General fund	16	7,854,196	7,715,986
Local relief fund	16	9,351,770	8,807,369
Designated fund	16	89,187	60,092
Total unrestricted funds		17,295,153	16,583,447
Restricted funds			
Local building fund	16	3,183,209	3,188,638
Total restricted funds		3,183,209	3,188,638
Total accumulated funds		20,478,362	19,772,085

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

Statement of Changes in Accumulated Funds

For the Reporting Year Ended 31 December 2016

	2016	2015
	\$	\$
Balance at beginning of the year	19,772,085	17,867,965
Net surplus for the reporting year	706,277	1,904,120
Balance at end of the year	20,478,362	19,772,085

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

Statement of Cash Flows

For the Reporting Year Ended 31 December 2016

	2016	2015
	\$	\$
Cash flows from operating activities		
Surplus for the reporting year	706,277	1,904,120
Adjustments for:		
Depreciation of plant and equipment	381,042	241,438
Amortisation of deferred capital grants	(103,150)	(74,819)
(Gains) / Losses on disposal of plant and equipment	(633)	9,967
Gift in kind received	(3,224)	(263,676)
Interest income	(194,883)	(160,282)
Operating cash flow before changes in working capital	785,429	1,656,748
Inventories	177,583	(80,502)
Other receivables	152,531	(225,089)
Other assets	47,607	576
Trade and other payables	(748,691)	294,818
Other liabilities	523,201	323,820
Net cash flows from operating activities	937,660	1,970,371
Cash flows from investing activities		
Purchase of plant and equipment (Note 9)	(221,250)	(642,691)
Proceeds from disposal of plant and equipment	633	1,553
Interest income received	187,768	138,042
Cash restricted in use	(624,246)	(102,724)
Net cash flows used in investing activities	(657,095)	(605,820)
Net increase in cash and cash equivalents	280,565	1,364,551
Cash and cash equivalents, cash flow statement, beginning Balance	9,068,650	7,704,099
Cash and cash equivalents, cash flow statement, ending Balance (Note 13A)	9,349,215	9,068,650

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

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016

2016	Notes	Unrestricted funds			Restricted funds		Total	
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Local Building Fund		Sub-Total
		\$	\$	\$	\$	\$	\$	
INCOMING RESOURCES								
Voluntary income								
Tax deductible donations	4	1,135,960	3,391,839	–	4,527,799	–	–	4,527,799
Non-tax deductible donations		198,245	584,387	–	782,632	–	–	782,632
		<u>1,334,205</u>	<u>3,976,226</u>	<u>–</u>	<u>5,310,431</u>	<u>–</u>	<u>–</u>	<u>5,310,431</u>
Charitable income								
Children and youth classes		898,625	–	–	898,625	–	–	898,625
Continuing education center		88,697	–	–	88,697	–	–	88,697
Sales of goods		429,711	–	–	429,711	–	–	429,711
Donated assets		–	3,224	–	3,224	–	–	3,224
		<u>1,417,033</u>	<u>3,224</u>	<u>–</u>	<u>1,420,257</u>	<u>–</u>	<u>–</u>	<u>1,420,257</u>
Funds generating activities								
Chinese new year charity fair		–	854,225	–	854,225	–	–	854,225
Flag's Day		–	102,399	–	102,399	–	–	102,399
Placement of donation boxes		118,505	–	–	118,505	–	–	118,505
		<u>118,505</u>	<u>956,624</u>	<u>–</u>	<u>1,075,129</u>	<u>–</u>	<u>–</u>	<u>1,075,129</u>
Others								
Interest income		66,766	83,546	–	150,312	44,571	44,571	194,883
Sundry income		311,515	259,514	–	571,029	–	–	571,029
Government grant		–	531,055	214,624	745,679	–	–	745,679
Amortisation of deferred capital grants		39,462	9,217	54,471	103,150	–	–	103,150
		<u>417,743</u>	<u>883,332</u>	<u>269,095</u>	<u>1,570,170</u>	<u>44,571</u>	<u>44,571</u>	<u>1,614,741</u>
Total incoming resources		<u>3,287,486</u>	<u>5,819,406</u>	<u>269,095</u>	<u>9,375,987</u>	<u>44,571</u>	<u>44,571</u>	<u>9,420,558</u>

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016 (cont'd)

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

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016 (Cont'd)

2016	Notes	Unrestricted funds			Restricted funds		Sub-Total	Total
		General Fund	Local Relief Fund	Designated Fund	Local Building Fund	Sub-Total		
		\$	\$	\$	\$	\$	\$	\$
Administrative costs								
Depreciation		133,889	–	–	133,889	–	–	133,889
Other social activities		287,724	168,129	–	455,853	–	–	455,853
Other operating expenses	6	994,465	61,112	–	1,055,577	50,000	50,000	1,105,577
		1,416,078	229,241	–	1,645,319	50,000	50,000	1,695,319
Total resources expended		3,149,276	5,275,005	240,000	8,664,281	50,000	50,000	8,714,281

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016 (cont'd)

2015	Notes	Unrestricted funds				Restricted funds				Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Malaysia Flood Relief Fund	Nepal Earthquake Relief Fund	Local Building Fund	Sub-Total	
		\$	\$	\$	\$			\$	\$	\$
INCOMING RESOURCES										
Voluntary income										
Tax deductible donations	4	2,267,383	3,480,007	–	5,747,390	–	–	–	–	5,747,390
Non-tax deductible donations		208,909	603,391	–	812,300	–	–	–	–	812,300
		2,476,292	4,083,398	–	6,559,690	–	–	–	–	6,559,690
Charitable income										
Children and youth classes		733,033	–	–	733,033	–	–	–	–	733,033
Continuing education center		100,453	–	–	100,453	–	–	–	–	100,453
Sales of goods		824,793	–	–	824,793	–	–	–	–	824,793
Donated assets		263,676	–	–	263,676	–	–	–	–	263,676
		1,921,955	–	–	1,921,955	–	–	–	–	1,921,955
Funds generating activities										
Chinese new year charity fair		–	873,305	–	873,305	–	–	–	–	873,305
Flag's Day		–	81,458	–	81,458	–	–	–	–	81,458
Placement of donation boxes		128,189	–	–	128,189	–	–	–	–	128,189
Malaysia Flood Relief		–	–	–	–	938,566	–	–	938,566	938,566
Nepal Earthquake Relief		–	–	–	–	–	2,057,715	–	2,057,715	2,057,715
		128,189	954,763	–	1,082,952	938,566	2,057,715	–	2,996,281	4,079,233
Others										
Interest income		50,702	72,876	–	123,578	–	–	36,704	36,704	160,282
Sundry income		58,410	146,252	–	204,662	–	–	–	–	204,662
Government grant		1,425	350,528	120,000	471,953	–	–	–	–	471,953
Amortisation of deferred capital grants		39,333	771	34,715	74,819	–	–	–	–	74,819
		149,870	570,427	154,715	875,012	–	–	36,704	36,704	911,716
Total incoming resources		4,676,306	5,608,588	154,715	10,439,609	938,566	2,057,715	36,704	3,032,985	13,472,594

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016 (cont'd)

2015	Notes	Unrestricted funds			Restricted funds					Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Malaysia Flood Relief Fund	Nepal Earthquake Relief Fund	Local Building Fund	Sub-Total	
RESOURCES EXPENDED		\$	\$	\$	\$			\$	\$	\$
Costs of generating voluntary income: fund raising										
Chinese new year charity fair		–	188,939	–	188,939	–	–	–	–	188,939
Placement of donation boxes		1,070	–	–	1,070	–	–	–	–	1,070
Flag's Day		–	2,365	–	2,365	–	–	–	–	2,365
Recycling activities		245,430	–	–	245,430	–	–	–	–	245,430
Depreciation		826	–	–	826	–	–	–	–	826
Malaysia Flood Relief		–	–	–	–	3,400	–	–	3,400	3,400
Nepal Earthquake Relief		–	–	–	–	–	3,973	–	3,973	3,973
		247,326	191,304	–	438,630	3,400	3,973	–	7,373	446,003
Costs of charitable activities: welfare services and homecare support expenses and cultural activities										
Programme for the needy families		–	916,952	–	916,952	–	–	–	–	916,952
Programme for the medical treatments		–	1,338,334	–	1,338,334	–	–	–	–	1,338,334
Seed of hope programmes		–	1,200,886	–	1,200,886	–	–	–	–	1,200,886
Free clinic & health screening services		–	1,337,641	–	1,337,641	–	–	–	–	1,337,641
(Gains) / losses on disposal of plant and equipment		(151)	10,118	–	9,967	–	–	–	–	9,967
Depreciation		82,298	77,183	–	159,481	–	–	–	–	159,481
SMU bursary scheme		–	–	120,000	120,000	–	–	–	–	120,000
Xiao Zhu bookstore		529,308	–	–	529,308	–	–	–	–	529,308
Children and youth classes		598,462	–	–	598,462	–	–	–	–	598,462
Continuing education center		74,496	–	–	74,496	–	–	–	–	74,496
Interfaith prayer ceremony		76,538	–	–	76,538	–	–	–	–	76,538
Year end appreciation		89,845	–	–	89,845	–	–	–	–	89,845
Neighbourhood Eco Awareness Fair		17,768	–	–	17,768	–	–	–	–	17,768
Medical conference		46,818	–	–	46,818	–	–	–	–	46,818
Humanistic culture		81,416	–	–	81,416	–	–	–	–	81,416
Other cultural activities		26,725	–	–	26,725	–	–	–	–	26,725
		1,623,523	4,881,114	120,000	6,624,637	–	–	–	–	6,624,637

Statement of Financial Activities – Supplementary Schedules

For the Reporting Year Ended 31 December 2016 (cont'd)

2015	Notes	Unrestricted funds				Restricted funds				Total
		General Fund	Local Relief Fund	Designated Fund	Sub-Total	Malaysia Flood Relief Fund	Nepal Earthquake Relief Fund	Local Building Fund	Sub-Total	
		\$	\$	\$	\$			\$	\$	\$
Costs of charitable activities: overseas donations										
Overseas donations	5	–	–	–	–	935,166	2,053,742	–	2,988,908	2,988,908
		–	–	–	–	935,166	2,053,742	–	2,988,908	2,988,908
Administrative costs										
Depreciation		81,131	–	–	81,131	–	–	–	81,131	81,131
Other social activities		296,279	174,006	–	470,285	–	–	–	–	470,285
Other operating expenses	6	851,802	55,708	–	907,510	–	–	50,000	50,000	957,510
		1,229,212	229,714	–	1,458,926	–	–	50,000	50,000	1,508,926
Total resources expended		3,100,061	5,302,132	120,000	8,522,193	938,566	2,057,715	50,000	3,046,281	11,568,474

Notes to the Financial Statements

31 December 2016

1. General

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

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

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

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

Accounting convention

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

Basis of preparation of the financial statements

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

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the year arising from the course of the ordinary activities of the Foundation and it is shown net of related tax and subsidies.

(i) *Donations and corporate cash sponsorships*

Revenue from donations and corporate cash sponsorships are accounted for when received, except for committed donations and corporate cash sponsorships that are recorded when the commitments are signed.

(ii) *Fund raising*

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

(iii) *Sale of goods and services*

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

(iv) *Other revenue*

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

Gifts in kind

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

Employee benefits

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

2. Significant accounting policies and other explanatory information (cont'd)**2A. Significant accounting policies (cont'd)****Income tax**

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

Foreign currency transactions

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

Government grants

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

Plant and equipment

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

Renovations	- 20%
Office equipment	- 20% - 33 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.

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

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

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

Leases

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

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

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

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

Inventories

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

Financial assets

Initial recognition, measurement and derecognition:

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

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

Subsequent measurement:

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

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

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

2A. Significant accounting policies (cont'd)

Financial assets (cont'd)

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

Cash and cash equivalents

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

Financial liabilities

Initial recognition, measurement and derecognition:

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

Subsequent measurement:

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

1. Liabilities at fair value through profit or loss: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.
2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method.

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

2A. Significant accounting policies (cont'd)

Fair value measurement

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

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

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

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

2A. Significant accounting policies (cont'd)

Funds

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

2B. Other explanatory information

Provisions

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

2C. Critical judgements, assumptions and estimation uncertainties

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

3. Related party relationships and transactions

FRS 24 on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

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

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

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

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

3A. Related party transactions:

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

Significant related party transactions:

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

	Director's related companies	
	2016	2015
	\$	\$
Purchases of goods	44,881	486,532
Rental and related expenses	161,870	164,233
Sales of goods	146,631	-
Rental income	18,000	-

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

3B. Related party transactions: (cont'd)

	Related party – Tzu Chi Culture & Communication Foundation	
	2016	2015
	\$	\$
Purchases of goods	–	1,194
	<hr/>	
	Related party – Buddhist Compassion Relief Tzu Chi Foundation (Taiwan)	
	2016	2015
	\$	\$
Rental expense	50,012	50,012
	<hr/>	
	Related party – Taiwan Buddhist Tzu Chi Foundation (Malaysia)	
	2016	2015
	\$	\$
Purchases of goods	–	1,282
	<hr/>	

3C. Key management compensation:

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

4. Tax deductible receipts

The Foundation enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 (2015: 3.0) times tax deductions for the donations made to the Foundation during FY2016. The Institutions of Public Character status granted to the Foundation is for the period from 1 December 2015 to 28 February 2019.

	2016	2015
	\$	\$
Tax-exempt receipts issued for donations collected	4,527,799	5,747,390
	<hr/>	

5. Overseas donations

	2016	2015
	\$	\$
Donation to Tzu Chi Taiwan – Nepal Earthquake Relief	–	2,053,742
Donation to Buddhist Tzu Chi Merits Society Malaysia (Penang) – Malaysia Flood Relief	–	467,583
Donation to Taiwan Buddhist Tzu Chi Foundation Malaysia (KL & Selangor Branch) – Malaysia Flood Relief	–	467,583
	–	2,988,908

6. Other operating expenses

The major components include the following:

	2016	2015
	\$	\$
Audit fees paid to independent auditors	17,276	17,500
Rental expenses (Note 18)	129,334	117,752
Employee benefit expenses (Note 17)	677,573	549,202
Utilities	57,083	60,916

7. Employee benefits expense

	2016	2015
	\$	\$
Short term employee benefits expense	2,608,414	2,384,491
Contributions to defined contribution plan	299,934	231,693
Total employee benefits expense	2,908,348	2,616,184

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

	2016	2015
	\$	\$
Other operating expenses	677,573	549,202
Other social activities	391,956	391,078
Charitable activities	1,746,583	1,590,780
Fund generating activities	92,236	85,124
Total employee benefits expense	2,908,348	2,616,184

8. Income tax

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

9. Plant and equipment

	Renovations	Office Equipment	Furniture and fittings	Motor vehicles	Construction in Progress	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 January 2015	909,650	1,102,949	559,905	148,027	–	2,720,531
Additions (Note A)	305,330	515,616	61,429	23,992	–	906,367
Disposals	–	(112,703)	(24,333)	–	–	(137,036)
At 31 December 2015	1,214,980	1,505,862	597,001	172,019	–	3,489,862
Additions (Note A)	303,671	190,555	14,923	41,811	63,514	614,474
Disposals	–	(122,644)	(857)	(17,800)	–	(141,301)
At 31 December 2016	1,518,651	1,573,773	611,067	196,030	63,514	3,963,035
<u>Accumulated Depreciation</u>						
At 1 January 2015	634,436	898,069	430,302	94,494	–	2,057,301
Depreciation for the year	92,266	108,736	28,236	12,200	–	241,438
Disposals	–	(111,790)	(13,726)	–	–	(125,516)
At 31 December 2015	726,702	895,015	444,812	106,694	–	2,173,223
Depreciation for the year	151,677	176,066	31,926	21,373	–	381,042
Disposals	–	(122,644)	(857)	(17,800)	–	(141,301)
At 31 December 2016	878,379	948,437	475,881	110,267	–	2,412,964
<u>Carrying value:</u>						
At 1 January 2015	275,214	204,880	129,603	53,533	–	663,230
At 31 December 2015	488,278	610,847	152,189	65,325	–	1,316,639
At 31 December 2016	640,272	625,336	135,186	85,763	63,514	1,550,071

Note A: During the current reporting year, the Foundation received total donated assets (gift in kind) amounting to \$3,224 (2015: \$263,676). These donated assets have been capitalised as part of plant and equipment.

9. Plant and equipment (cont'd)

Fully depreciated plant and equipment still in use had an initial cost of \$1,690,321 (2015: \$1,778,250).

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

	2016	2015
	\$	\$
Administrative costs (Other operating expenses)	133,889	81,132
Fund generating activities	–	826
Charitable activities	247,153	159,480
Total depreciation expense	381,042	241,438

10. Inventories

	2016	<u>2015</u>
	\$	\$
Inventories at cost	86,612	264,195

There are no inventories pledged as security for liabilities.

11. Other receivables

	2016	2015
	\$	\$
Outside parties	94,255	122,199
Government grant receivables	313,916	381,388
	408,171	503,587

12. Other assets

	2016	2015
	\$	\$
Deposits to secure services - outside parties	53,099	56,847
Deposits to secure services - related party	23,690	23,690
Prepayments (Note A)	810,348	904,207
	887,137	984,744
Presented as:		
Other assets, current	137,137	184,744
Other assets, non-current	750,000	800,000
	887,137	984,744

Note A:

Included in prepayments is an amount of \$800,000 (2015: \$850,000) that is related 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.

12. Other assets (cont'd)

The analysis of the amount is as follows:

	2016	2105
	\$	\$
Cost:		
Cost of building	5,003,258	5,003,258
Amount paid by Tzu-Chi Taiwan	(3,852,545)	(3,852,545)
Amount funded by Local Building Fund	<u>1,150,713</u>	<u>1,150,713</u>
Recovery via rental expense:		
At 1 January	(300,713)	(250,713)
Rental offsetting during the year	<u>(50,000)</u>	<u>50,000</u>
At 31 December	<u>(350,713)</u>	<u>(300,713)</u>
Prepayment as at the end of the reporting year	<u>800,000</u>	<u>850,000</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 has partially paid \$1,150,713 for the construction costs on behalf of Tzu-Chi Taiwan. The amount has been recorded in the statement of financial position as a prepayment. Upon completion of the construction of the building, the Foundation has entered into an agreement with Tzu-Chi Taiwan to lease the land for 30 years at a rent of \$12 per year. In 2010, Tzu-Chi Taiwan and the Foundation have further entered into a lease agreement to lease the building for 23 year effective from 1 January 2010 at a rent of \$50,000 per year. The lease agreement further stipulates that the rental for the lease will be offset against the prepayment. Consequently, the Foundation has in 2010 commenced the amortisation of the prepayment over the lease period.

13. Cash and cash equivalents

	2016	2015
	\$	\$
Not restricted in use	9,349,215	9,068,650
Restricted in use:		
(a) Cash restricted in use over 3 months	6,995,877	6,896,327
(b) Restricted for unutilised deferred capital and government grants (Note 15B)	643,329	160,787
(c) Cash under restricted funds (Note A)	2,679,777	2,637,623
	<u>19,668,198</u>	<u>18,763,387</u>

13. Cash and cash equivalents (cont'd)

Note A: Cash and Cash Equivalents restricted in use are deposits placed in banks allocated to restricted funds (Note 16).

The rate of interest for the cash on interest earning balances was between 1.10% and 1.90% (2015: 1.30% and 1.80%) per annum.

13A. Cash and cash equivalents in the statement of cash flow:

	2016	2015
	\$	\$
Amount as shown above	19,668,198	18,763,387
Restricted in use	(10,318,983)	(9,694,737)
Cash and cash equivalents for Statement of Cash Flows purposes at end of year	9,349,215	9,068,650

14. Trade and other payables

	2016	2015
	\$	\$
Trade payables:		
Outside parties and accrued liabilities	181,427	655,912
Related parties (Note 3)	18,287	117,924
Sub-total	199,714	773,836
Other payables:		
Outside parties	827,074	611,643
Sub-total	827,074	611,643
Total trade and other payables	1,026,788	1,385,479

15. Other liabilities

	2016	2015
	\$	\$
Deferred capital grants (Note 15A)	353,457	423,904
Deferred government grant income (Note 15B)	643,329	160,787
Cash collected in advance for courses	98,253	90,297
	1,095,039	674,988

15. Other liabilities (cont'd)**15A. Deferred capital grants:**

	2016	2015
	\$	\$
At cost:		
Balance at beginning of the year	528,223	204,168
Purchase of plant and equipment - grants received	32,703	324,055
Balance at end of the year	560,926	528,223
Accumulated amortisation:		
Balance at beginning of the year	104,319	29,500
Amortisation for the year	103,150	74,819
Balance at end of the year	207,469	104,319
Carrying value:		
Balance at beginning of the year	423,904	174,668
Balance at end of the year	353,457	423,904

15B. Deferred government grant income

	2016	2015
	\$	\$
Balance at beginning of the year	160,787	158,892
Add: Fund received	697,164	426,731
	857,951	585,623
Less: Expenditure incurred	(230,622)	(120,000)
Less: Transferred to deferred capital grant	-	(304,836)
Add: Refund of bursary from student	16,000	-
Balance at end of the year	643,329	160,787

16. Accumulated funds

	2016	2015
	\$	\$
Unrestricted funds:		
General fund	7,852,196	7,715,986
Local relief fund	9,353,770	8,807,369
Designated fund	89,187	60,092
Total unrestricted funds	17,295,153	16,583,447
Restricted funds:		
Local building fund	3,183,209	3,188,638
Total restricted funds	3,183,209	3,188,638
Total funds	20,478,362	19,772,085
Ratio of unrestricted funds to annual operating expenditure (times)*	1.99	1.95

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

16. Accumulated funds (cont'd)

- (i) The General Fund is set up to finance the operation of the Foundation and all other expenses to carry out the missions of the Foundation.
- (ii) The Local Relief Fund is set up to maintain donations (both tax deductible and non-tax deductible) received from the public to be utilised for the purpose of provision of financial/non-financial assistance to the needy so as to benefit the community in Singapore as a whole regardless of race, gender and religion.
- (iii) The Designated Fund is the donation fund relating to grants received for specific purposes.
- (iv) Local Building Fund is for future maintenance and improvements of the building premises occupied by the Foundation.

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

17. Capital commitments

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

	2016	2015
	\$	\$
Commitments to purchase of plant and equipment	51,510	–

18. Operating lease payment commitments – as lessee

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

	2016	2015
	\$	\$
Not later than one year	560,383	274,654
Later than one year and not later than five years	638,427	468,833
Total	1,198,810	743,487

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

Other operating expenses (Note 6)	129,334	117,752
Charitable expenses	284,309	264,559
Total rental expenses	413,643	382,311

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

Also, see Note 12.

19. Financial instruments: information on financial risks

19A. Categories of financial assets and liabilities

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

	2016	2015
	\$	\$
Financial assets:		
Cash and cash equivalents	19,668,198	18,763,387
Other receivables	408,171	503,587
At end of the year	20,076,369	19,266,974
Financial liabilities:		
Trade and other payables measured at amortised cost	1,026,788	1,385,479
At end of the year	1,026,788	1,385,479

Further quantitative disclosures are included throughout these financial statements.

19B. Financial risk management

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

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

19C. Fair values of financial instruments

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

19. Financial instruments: information on financial risks (cont'd)**19D. Credit risk on financial assets**

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings.

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

Other receivables are normally with no fixed terms and therefore there is no maturity (Note 11).

Note 13 discloses the maturity of the cash and cash equivalents balances.

19E. Liquidity risk– financial liabilities maturity analysis

All liabilities are due within a year.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2015: 30 days). In order to meet such cash commitments the operating activity is expected to generate sufficient cash inflows.

19F. Interest rate risk

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

	2016	2015
	\$	\$
Financial assets:		
Fixed rates	11,914,018	11,741,036

Sensitivity analysis: The effect on surplus is insignificant.

19G. Foreign currency risks

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

Sensitivity analysis: The effect on surplus is not significant.

20. Changes and adoption of financial reporting standards

For the current reporting year new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. These applicable new or revised standards did not require material modification of the measurement methods or the presentation in the financial statements. There were none.

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

For the future reporting years new or revised Financial Reporting Standards in Singapore and the related Interpretations to FRS ("INT FRS") were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. 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 material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 Jan 2017
FRS 109	Financial Instruments	1 Jan 2018
FRS 115	Revenue from Contracts with Customers	1 Jan 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 116	Leases	1 Jan 2019

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



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