SIAN CHAY MEDICAL INSTITUTION

(Registered in Singapore)
UEN No. S62SS0055D
(Registered under the Charities Act, Chapter 37)

FINANCIAL STATEMENTS

31 December 2019

UHY LEE SENG CHAN & CO
Public Accountants and
Chartered Accountants

SIAN CHAY MEDICAL INSTITUTION
UEN No. S62SS0055D

FINANCIAL STATEMENTS

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Sian Chay Medical Institution

Statement by Management Committee
For the financial year ended 31 December 2019

In the opinion of the Management Committee, the accompanying financial statements of Sian Chay Medical Institution (the "Institution") are drawn up so as to give a true and fair view of the state of affairs of the Institution as at 31 December 2019, and of its results, changes in funds and cash flows of the Institution for the financial year ended on that date and, at the date of this statement, there are reasonable grounds to believe that the Institution will be able to pay its debts as and when they fall due.

On behalf of the Management Committee,

Chairman

Hon. Treasurer

Singapore

3 1 MAR 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Sian Chay Medical Institution (the Institution), which comprise the balance sheet of the Institution as at 31 December 2019, and the statement of income and expenditure and other comprehensive income, statement of changes in funds and statement of cash flows of the Institution for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Charities Act, Chapter 37 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Institution as at 31 December 2019 and of its results, changes in funds and cash flows of the Institution for the financial 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 Institution 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 Statement by Management Committee set out on page 1.

Our opinion on the financial statements does not cover the other information and we do 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 and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, the Management Committee is responsible for assessing the Institution'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 Institution or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Institution'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 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:

- 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.

- 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 Institution's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management Committee.

- Conclude on the appropriateness of the Management Committee'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 Institution'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 Institution to cease to continue as a going concern.

- 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, the accounting and other records required by the regulations enacted under the Act to be kept by the Institution have been properly kept in accordance with those regulations.

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

(a) the use of the donation monies was not in accordance with the objectives of the Institution as required under Regulation 16 of the Charities (Institutions of a Public Character) Regulations; and

(b) the Institution has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

UHY Lee Seng Chan & Co

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
3 1 MAR 2020

Sian Chay Medical Institution

Balance Sheet
As at 31 December 2019

	Note	2019 $	2018 $
ASSETS			
Current assets			
Cash and cash equivalents	4	29,344,993	19,441,949
Other receivables	5	304,233	185,108
Inventories	6	368,393	144,881
		30,017,619	19,771,938
Non-current assets			
Property, plant and equipment	7	1,008,049	975,100
		1,008,049	975,100
Total assets		31,025,668	20,747,038
LIABILITIES			
Current liabilities			
Trade and other payables	8	675,642	185,291
Lease liabilities	9	175,728	-
Finance lease liabilities	21	-	6,616
		851,370	191,907
Non-current liabilities			
Lease liabilities	9	405,334	-
Finance lease liabilities	21	-	15,273
Deferred income		8,314	8,314
		413,648	23,587
Total liabilities		1,265,018	215,494
NET ASSETS		29,760,650	20,531,544
FUNDS			
Capital fund	10	230,000	230,000
Unrestricted fund			
General fund		21,899,518	16,382,044
Restricted fund			
Memorial endowment fund	10	7,631,132	3,919,500
Total funds		29,760,650	20,531,544

The accompanying notes form an integral part of these financial statements

Sian Chay Medical Institution

Statement of Income and Expenditure
For the financial year ended 31 December 2019

	Note	2019 Unrestricted fund $	2019 Restricted fund Memorial endowment fund $	2019 Total $	2018 Total $
INCOME					
Voluntary income	11	13,380,755	3,657,047	17,037,802	10,676,639
Charitable income	12	2,254,734	-	2,254,734	1,702,731
Investment income	13	356,622	54,585	411,207	195,639
Other income	14	110,795	-	110,795	182,933
Total income		16,102,906	3,711,632	19,814,538	12,757,942
EXPENDITURE					
Cost of generating voluntary income	15	3,103,656	-	3,103,656	1,094,833
Cost of charitable activties	16	1,496,832	-	1,496,832	1,240,807
Governance costs	17	27,150	-	27,150	24,005
Write-off of equity instruments at fair value through other comprehensive income		-	-	-	1,028,720
Other expenses	18	5,946,417	-	5,946,417	5,173,848
Total expenditure		10,574,055	-	10,574,055	8,562,213
Surplus for the year		5,528,851	3,711,632	9,240,483	4,195,729

The accompanying notes form an integral part of these financial statements

Sian Chay Medical Institution

Statement of Changes in Funds
For the financial year ended 31 December 2019

		Unrestricted fund	← Restricted fund →		
	Capital fund $	General fund $	TCM medi fund $	Memorial endowment fund $	Total $
Balance at 1 January 2018	230,000	15,936,086	169,729	-	16,335,815
Surplus for the year	-	445,958	(169,729)	3,919,500	4,195,729
Balance at 31 December 2018	230,000	16,382,044	-	3,919,500	20,531,544
Adoption of FRS 116	-	(11,377)	-	-	(11,377)
Balance at 1 January 2019	230,000	16,370,667	-	3,919,500	20,520,167
Surplus for the year	-	5,528,851	-	3,711,632	9,240,483
Balance at 31 December 2019	230,000	21,899,518	-	7,631,132	29,760,650

The accompanying notes form an integral part of these financial statements

Sian Chay Medical Institution

Statement of Cash Flows
For the financial year ended 31 December 2019

	Note	2019 $	2018 $
Cash flows from operating activities			
Surplus for the year		9,240,483	4,195,729
Adjustments for:			
Depreciation of property, plant and equipment		728,115	733,365
Amortisation of deferred income		-	(24,260)
Write-off of equity instrument at fair value through other comprehensive income		-	1,028,720
Interest expense		37,353	1,299
Interest income		(411,207)	(195,639)
Operating cash flows before working capital changes		9,594,744	5,739,214
Changes in working capital:			
Other receivables		51,921	(23,230)
Inventories		(223,512)	28,542
Trade and other payables		490,351	(50,985)
Net cash from operating activities		9,913,504	5,693,541
Cash flows from investing activities			
Purchase of property, plant and equipment (Note A)		(55,725)	(145,631)
Interest received		240,161	209,680
Changes in fixed deposits with maturity period of more than 3 months		(17,215,602)	2,751,540
Net cash (used in)/from investing activities		(17,031,166)	2,815,589
Cash flows from financing activities			
Payment of principal portion of lease liabilities		(157,543)	-
Repayment of obligations under finance lease		-	(6,283)
Interest paid		(37,353)	(1,299)
Net cash used in financing activities		(194,896)	(7,582)
Net change in cash and cash equivalents		(7,312,558)	8,501,548
Cash and cash equivalents at beginning of year		9,209,703	708,155
Cash and cash equivalents at end of year	4	1,897,145	9,209,703

Note A: During the financial year, the Institution acquired property, plant and equipment with an aggregate cost of $188,810 of which $133,085 pertains to right-of-use assets and the balance of $55,725 paid by cash. In the previous financial year, cash payment of $145,631 was made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General information

Sian Chay Medical Institution (the "Institution") was registered as a charity under the Singapore Charities Act (Chapter 37) on 19 March 1984 with its registered office located at 610 Geylang Road (Off Lorong 36), Singapore 389549. It is also approved as an Institution of Public Character (IPC) by the Ministry of Health.

The principal activities of the Institution are to provide free medical consultation or subsidised medication to the lower income and needy patients.

The financial statements of the Institution for the financial year ended 31 December 2019 were authorised for issue by the Management Committee on 31 MAR 2020

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Charities Act, Cap. 37 and Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies set out below.

The financial statements are presented in Singapore dollar ("$"), which is the functional currency of the Institution.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Institution has adopted all the new and amended standards which are relevant to the Institution and are effective for annual financial periods beginning on or after 1 January 2019. Except for the adoption of FRS 116 Leases described below, the adoption of these standards did not have any material effect on the financial performance or position of the Institution.

FRS 116 Leases

FRS 116 supersedes FRS 17 Leases, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases-Incentives and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 116 Leases (continued)

The Institution adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of general fund. The Institution elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. Instead, the Institution applied the standard only to contracts that were previously identified as leases applying FRS 17 and INT FRS 104 at the date of initial application.

The effect of adoption FRS 116 as at 1 January 2019 was as follows:

	As at 31 December 2018	Effect of adoption of FRS 116	As at 1 January 2019
	$	$	$
Property, plant and equipment	975,100	572,254	1,547,354
Lease liabilities	-	605,520	605,520
Finance lease liabilities	21,889	(21,889)	-
General fund	16,382,044	(11,377)	16,370,667

The Institution has lease contracts for leasehold properties and other assets. Before the adoption of FRS 116, the Institution classified each of its leases (as lessee) at the inception date as either a finance lease or an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2.12.

Upon adoption of FRS 116, the Institution applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2.12. The standard provides specific transition requirements and practical expedients, which have been applied by the Institution.

Leases previously accounted for as operating leases

The Institution recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for the leases were recognised at an amount equal to the lease liability, adjusted for previously recognised prepaid or accrued lease payments. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 116 Leases (continued)

Leases previously accounted for as operating leases (continued)

The Institution also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of initial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

Based on the above, as at 1 January 2019:

- right-of-use assets of $572,254 were recognised and presented within property, plant and equipment.
- additional lease liabilities of $583,631were recognised;
- the net effect of these adjustments of $11,377 had been adjusted to general fund. Comparative information is not restated.

2. Summary of significant accounting policies (continued)

2.2 Adoption of new and amended standards and interpretations (continued)

FRS 116 Leases (continued)

Leases previously accounted for as operating leases (continued)

The lease liabilities as at 1 January 2019 can be reconciled to the operating lease commitments as of 31 December 2018, as follows:

	$
Operating lease commitments as at 31 Deccember 2018	372,000
Weighted average incremental borrowing rate as at 1 January 2019	6%
Discounted operating lease commitments as at 1 January 2019	583,631
Add:	
Commitments relating to leases previously classified as finance leases	21,889
Lease liabilities as at 1 January 2019	605,520

2.3 Property, plant and equipment

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is computed on a straight-line basis to allocate their depreciable amounts over their estimated useful lives as follows:

Freehold properties	50 years
Leasehold properties (right-of-use)	Lease period of between 3-6 years
Motor vehicle	5 years
Air-conditioners	3 years
Renovation and fixtures	3 years
Others	3-5 years

Freehold properties comprise freehold land and building erected thereon. Freehold land is not depreciated.

Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

2. Summary of significant accounting policies (continued)

2.3 Property, plant and equipment (continued)

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognising of the asset is included in profit or loss in the financial year the asset is derecognised.

2.4 Impairment of non-financial assets

The Institution's non-financial assets are reviewed at each reporting date and whenever there is any indication that these assets may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required), the Institution makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(a) Financial assets (continued)

Initial recognition and measurement (continued)

At initial recognition, the Institution measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (FVPL), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Institution's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Institution only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received (and, where applicable, any cumulative gain or loss that has been recognised in other comprehensive income) is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Institution becomes a party to the contractual provisions of the financial instrument. The Institution determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(b) Financial liabilities

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.6 Impairment of financial assets

The Institution recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Institution expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

The Institution considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Institution may also consider a financial asset to be in default when internal or external information indicates that the Institution is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Institution. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2. Summary of significant accounting policies (continued)

2.7 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, bank balances and fixed deposits placed with financial institutions. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of fixed deposits with maturity period of more than three months.

2.8 Inventories

Inventories comprising medical supplies are stated at the lower of cost and net realisable value. Cost is determined primarily on a first-in-first-out basis and includes cost of purchase and all other costs incurred in bringing the inventories to their present location and condition. Where necessary, write-down is made for deteriorated, damaged, obsolete and slow-moving inventories to adjust the carrying value of inventories to the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.9 Provisions

Provisions are recognised when the Institution has a present obligation (legal or constructive) as a result of a past event, it is probable that the Institution will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

2.10 Borrowing costs

Borrowing costs are capitalised if they are directly attributable to the acquisition, construction or production of a qualifying asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are ready for their intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

2. Summary of significant accounting policies (continued)

2.11 Employee benefits

Employee entitlements to annual leave are recognised as a liability when they accrue to employees. The estimated liability for annual leave is recognised for services rendered by employees up to the reporting date.

Contributions to defined contribution plans are recognised in the same financial year as the employment that gives rise to the contributions.

2.12 Leases

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

The Institution assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As lessee

The Institution applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Institution recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-of-use assets

The Institution recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Institution at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.3.

The Institution's right-of-use assets are presented within property, plant and equipment (Note 7).

2. Summary of significant accounting policies (continued)

2.12 Leases (continued)

Lease liabilities

At the commencement date of the lease, the Institution recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Institution and payments of penalties for terminating the lease, if the lease term reflects the Institution exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Institution uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Institution's lease liabilities are disclosed in Note 9.

Short-term leases and leases of low-value assets

The Institution applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

As lessee

Leases where a significant portion of the risks and rewards of ownership of the leased assets are retained by the lessors are classified as operating leases. Payments made under operating leases are recognised in profit or loss on a straight-line basis over the period of the leases.

2. Summary of significant accounting policies (continued)

2.12 Leases (continued)

As lessee (continued)

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2.13 Revenue recognition

Revenue is measured based on the consideration to which the Institution expects to be entitled in exchange for transferring promised goods or services to a patient.

Revenue is recognised when the Institution satisfies a performance obligation by transferring a promised good or service to the patient, which is when the patient obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Rendering of services

Revenue from rendering of services, which include acupuncture, tuina therapy treatment and cupping is recognised when the services are rendered.

Sale of healthcare products

Revenue from sale of healthcare products is recognised at a point in time when the products are delivered to the patient and all criteria for acceptance have been satisfied.

Donations

Donations are recognised when the right to receive is established.

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 and government subvention receipts in recognition of specific expenses are recognised as income to match them with the related costs that they are intended to compensate.

Investment income

Investment income comprising interest income from fixed deposits is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset.

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Institution's accounting policies, which are described in Note 2, Management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

(a) Critical judgements in applying the Institution's accounting policies

In the process of applying the Institution's accounting policies, management is of the opinion that any instances of application are not expected to have a significant effect on the amounts recognised in the financial statements.

(b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Depreciation of property, plant and equipment

Management estimates the useful lives of property, plant and equipment to be as disclosed in Note 2.3. These are common life expectancies applied in the relevant industry. The carrying amounts of the Institution's property, plant and equipment are disclosed in Note 7. Changes in the expected level of usage and technological development could impact the economic useful lives and the residual values of these assets. Hence, future depreciation charges could be revised.

4. Cash and cash equivalents

	2019 $	2018 $
Cash at banks and on hand	1,897,145	7,183,100
Fixed deposits	27,447,848	12,258,849
	29,344,993	19,441,949

4. Cash and cash equivalents (continued)

Fixed deposits have maturity period of between 12 to 24 (2018 : 2 to 12) months and earn interest at rates ranging from 1.85% to 2.15% (2018 : 0.15% to 1.85%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

	2019 $	2018 $
Cash and cash equivalents (as above)	29,344,993	19,441,949
Less: Fixed deposits with manturity period of more than 3 months	(27,447,848)	(10,232,246)
Cash and cash equivalents per statement of cash flows	1,897,145	9,209,703

5. Other receivables

	2019 $	2018 $
Advance payment for purchase of propety, plant and equipment	-	61,025
Interest receivable	237,416	66,370
Refundable deposits	64,365	57,353
Prepayments	2,452	360
	304,233	185,108

6. Inventories

	2019 $	2018 $
Medical supplies	368,393	144,881
Cost of inventories recognised in statement of income and expenditure and included in cost of charitable activities	1,496,832	1,240,807

7. Property, plant and equipment

2019

	Freehold properties $	Leasehold properties $	Motor vehicle $	Air conditioners $	Renovation and fixtures $	Other assets $	Total $
Cost							
Balance at beginning	415,603	-	93,666	52,052	2,498,844	781,144	3,841,309
Adoption of FRS 116	-	644,107	-	-	-	-	644,107
Additions	-	133,085	-	-	34,605	21,120	188,810
Balance at end	415,603	777,192	93,666	52,052	2,533,449	802,264	4,674,226
Accumulated depreciation							
Balance at beginning	232,737	-	39,027	45,793	1,945,090	603,562	2,866,209
Adoption of FRS 116	-	71,853	-	-	-	-	71,853
Charge for the year	-	165,995	18,733	3,540	416,174	123,673	728,115
Balance at end	232,737	237,848	57,760	49,333	2,361,264	727,235	3,666,177
Carrying amount							
Balance at 31 December 2019	182,866	539,344	35,906	2,719	172,185	75,029	1,008,049

7. Property, plant and equipment (continued)

2018

	Freehold properties $	Motor vehicle $	Air conditioners $	Renovation and fixtures $	Other assets $	Total $
Cost						
Balance at beginning	415,603	93,666	47,082	2,396,533	742,794	3,695,678
Additions	-	-	4,970	102,311	38,350	145,631
Balance at end	415,603	93,666	52,052	2,498,844	781,144	3,841,309
Accumulated depreciation						
Balance at beginning	232,737	20,294	41,463	1,417,095	421,255	2,132,844
Charge for the year	-	18,733	4,330	527,995	182,307	733,365
Balance at end	232,737	39,027	45,793	1,945,090	603,562	2,866,209
Carrying amount						
Balance at 31 December 2018	182,866	54,639	6,259	553,754	177,582	975,100

Other assets include computers, diagnosis and office equipment, and furniture and fittings. As at 31 December 2018, office equipment with aggregate carrying amount of $13,218 was acquired under finance lease agreements.

8. Trade and other payables

	2019 $	2018 $
Trade payables		
- third parties	215,522	76,869
Other payables		
- accruals	460,120	108,422
	675,642	185,291

Trade payables are non-interest bearing and are generally settled within 30 (2018 : 30) days.

9. Leases

Institution as a lessee

The Institution has lease contracts for leasehold properties and other assets. The Institution's obligations under these leases are secured by lessors' title to the leased assets.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold properties $	Other assets $	Total $
At 1 January 2019	572,254	13,218	585,472
Addition	133,085	-	133,085
Depreciation	(165,995)	(9,455)	(175,450)
At 31 December 2019	539,344	3,763	543,107

9. Leases (continued)

(b) Lease liabilities

	2019
	$
Current	175,728
Non-current	405,334
	581,062

(c) Amounts recognised in profit or loss

	2019
	$
Depreciation of right-of-use assets	175,450
Interest expense on lease liabilities (Note 18)	37,353
Lease expense not capitalised in lease liabilities:	
- Expense relating to short-term leases (Note 18)	67,361
Total amount recognised in profit or loss	280,164

9. Leases (continued)

(d) Total cash outflow

The Institution had total cash outflows for leases of $262,257 in 2019 comprising payments of principal portion of lease liabilities of $157,543, lease expense of short term leases of $67,361 and interest expense of $37,353.

A reconciliation of liabilities arising from financing activities is as follows:

				Non-cash changes		
	1 January 2019 $	Adoption of FRS 116 $	Cash flows $	Addition to property, plant and equipment $	Accretion of interest $	31 December 2019 $
Lease liabilities	21,889	583,631	(194,896)	133,085	37,353	581,062

				Non-cash changes		
	1 January 2018 $	Adoption of FRS 116 $	Cash flows $	Addition to property, plant and equipment $	Accretion of interest $	31 December 2018 $
Lease liabilities	28,172	-	(7,582)	-	1,299	21,889

10. Funds

Capital fund

The capital fund represents compensation received from the government in relation to the compulsory acquisition of the Institution's previous premises located at 124A Bencoolen Street in 1978.

Memorial endowment fund

This fund comprises the To' Puan Dr. Tsao Sui Lan Memorial Endowment Fund which was established on 21 May 2018 with an initial donation of $2,000,000 received from Dato' Dr. Tan Hian-Tsin Hian-Tsin and subsequent donations from public for the purpose of providing assistance to the hardship and welfare cases referred by the Grassroots Advisers during their weekly Meet-The-People Sessions as well as individuals requiring support and assistance from the community. During the financial year, on 20 February 2019, the Institution received another donation of $2,000,000 from Dato' Dr. Tan Hian-Tsin.

11. Voluntary income

	2019 $	2018 $
Unrestricted		
Tax deductible donations	8,479,963	4,178,003
Grants	617,332	828,949
Other donations	4,283,460	1,750,187
	13,380,755	6,757,139
Restricted		
Memorial endowment fund	3,657,047	3,919,500
	3,657,047	3,919,500
	17,037,802	10,676,639

The Institution enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the Institution. The IPC status was renewed for 2 years till 30 June 2021.

12. Charitable income

	2019 $	2018 $
Acupuncture treatment fees	488,748	388,704
Cupping treatment fees	48,890	34,004
Herb treatment fees	31,202	31,640
Tuina therapy fees	374,036	328,287
Prescription fees	1,007,140	911,639
Sale of healthcare products	292,732	-
Others	11,986	8,457
	2,254,734	1,702,731

13. Investment income

	2019 $	2018 $
Interest income		
Unrestricted	356,622	195,639
Restricted	54,585	-
	411,207	195,639

14. Other income

	2019 $	2018 $
Amortisation of deferred income	-	24,260
Special employment credit	54,755	57,202
Temporary employment credit	-	6,857
Wage credit scheme	55,064	91,233
Others	976	3,381
	110,795	182,933

15. Cost of generating voluntary income

	2019	2018
	$	$
Cost of fund raising	3,103,656	1,094,833

The fundraising efficiency rate of the Institution for the financial year is 17.63% (2018 : 10.25%). Accordingly, the Institution has complied with the 30/70 fundraising efficiency ratio under the Charities (Institution of a Public Character) Regulations.

16. Cost of charitable activities

	2019	2018
	$	$
Medicine and medical supplies		
Unrestricted	1,496,832	1,180,969
Restricted	-	59,838
	1,496,832	1,240,807

17. Governance costs

	2019	2018
	$	$
Audit fees	27,150	24,005

18. Other expenses

	2019 $	2018 $
Unrestricted		
Bank charges	116,710	21,838
Branding	100,000	-
Brochures	5,533	2,780
Community events	155,509	-
Community relation	139,776	23,300
Community welfare and services	110,305	219,121
Depreciation of property, plant and equipment	728,115	733,365
General expenses	192,080	46,425
GST input tax not claimable	347,544	155,974
Insurance	24,806	47,178
Interest expense on finance leases	-	1,299
Interest expense on lease liabilities (Note 9)	37,353	-
IT maintenance	30,921	-
Lease expense (Note 9)	67,361	228,845
Legal fee	650	4,493
License fee	2,910	3,095
Maintenance charges	43,246	73,126
Marketing communication expenses	90,783	151,761
Media	9,800	31,015
Medical records, receipts, stationery	7,864	9,195
Momentoes for donors	60,266	28,214
Office supplies	113,889	95,472
Other equipment expensed off	865	2,076
Photo frames for photo gallery (all outlets)	1,260	11,618
Photography/Video services	12,959	1,330
Printing charges	30,029	19,174
Project expenses	40,864	59,278
Property tax	1,880	1,800
Property, plant and equipment expensed off	30,278	9,909
Property, plant and equipment written off	-	3,345
Recruitment costs	4,087	10,599
Carried forward	2,507,643	1,995,625

18. Other expenses (continued)

	2019 $	2018 $
Unrestricted (continued)		
Brought forward	2,507,643	1,995,625
Signages for outlets	960	4,332
Staff bonding/interaction	58,610	24,438
Staff training	17,501	26,366
Start-up costs of new outlets	16,620	2,415
Tools and accessories	130	-
Telephone and internet charges	37,668	32,273
Transport charges	32,896	19,278
Utilities expense	64,284	49,988
Website hosting and social media	40,000	27,000
	2,776,312	2,181,715
Employee benefits expense		
- salaries, bonuses and related costs	2,776,818	2,557,643
- employer's contribution to Central Provident Fund	393,287	324,599
	3,170,105	2,882,242
	5,946,417	5,063,957
Restricted		
Employee benefits expense		
- salaries, bonuses and related costs	-	97,026
- employer's contribution to Central Provident Fund	-	12,865
	-	109,891
	5,946,417	5,173,848

19. Income tax status

No provision for taxation has been made in the financial statements as the Institution is exempt from income tax under Section 13 of the Income Tax Act, Chapter 134.

20. Compensation of key management personnel

Other than disclosed elsewhere in the financial statements, the transactions with related parties on terms agreed between the parties during the financial year are as follows:

	2019 $	2018 $
Short-term benefits paid to a key management personnel		
- salaries, bonuses and related costs	107,677	107,550
- employer's contribution to Central Provident Fund	7,320	7,430
	114,997	114,980

Key management personnel is the Institution's executive director. Members of the Management Committee are volunteers who do not receive any compensation from the Institution.

21. Commitments

(a) Operating lease commitments - as lessee

	2018 $
Operating lease expense for the year	228,845

As at 31 December 2018, the Institution has commitments for minimum lease payments in respect of premises under non-cancellable operating leases falling due as follows:

	2018 $
Within one year	144,000
Between one and five years	228,000
	372,000

The above operating leases have a tenure of 3 years with varying options to renew. They do not contain any escalation clauses or provide for contingent rents.

21. Commitments (continued)

(b) Finance lease commitments - as lessee

As at 31 December 2018, the Institution leases its copiers under finance lease.

The future minimum lease payments under finance lease and their present values are as follows:

	2018	
	Minimum lease payments $	Present value of minimum lease payments $
Within 1 year	7,582	6,616
After 1 year but not more than 5 years	16,574	15,273
Total minimum lease payments	24,156	21,889
Less: Amount representing finance charges	2,267	-
Present value of minimum lease payments	21,889	21,889

The fair values of finance lease liabilities approximate their carrying amounts.

Finance lease liabilities were reclassified to lease liabilities on 1 January 2019 arising from the adoption of FRS 116.

22. Financial instruments, financial risks and capital management

(a) Categories of financial instruments

Financial instruments as at the reporting date are as follows:

	2019 $	2018 $
Financial assets measured at amortised cost		
Cash and cash equivalents (Note 4)	29,344,993	19,441,949
Other receivables less prepayments and advance payment for purchase of property, plant and equipment (Note 5)	301,781	123,723
Total financial assets measured at amortised cost	29,646,774	19,565,672
Financial liabilities measured at amortised cost		
Trade and other payables (Note 8)	675,642	185,291
Lease liabilities (Note 9)	581,062	-
Finance lease liabilities (Note 21)	-	21,889
Total financial liabilities measured at amortised cost	1,256,704	207,180

(b) Financial risk management

The main risks arising from the Institution's normal course of operation are credit, interest rate and liquidity risks. The Institution's overall risk management strategy seeks to minimise potential adverse effects of these risks on the financial performance of the Institution.

Risk management policies and procedures are reviewed regularly to reflect changes in market conditions and the Institution's activities.

Credit risk

Management has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis.

At the reporting date, the Institution's maximum exposure to credit risk is represented by the carrying amount of each financial asset recognised in the balance sheet. Cash is placed with banks which are regulated.

22. Financial instruments, financial risks and capital management (continued)

(b) Financial risk management (continued)

Cash and cash equivalents are subject to the impairment requirements of the standard on financial instruments.

There is no financial asset that is past due and/or impaired.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of the Institution's financial instruments will fluctuate because of changes in market interest rate.

The Institution is exposed to interest rate risk through the impact of changes in interest rates on its fixed deposits.

Sensitivity analysis

At the reporting date, an increase/decrease of 25 basis points in interest rates of fixed deposits would increase/decrease surplus for the financial year by $68,620 (2018 : $30,647).

Liquidity risk

Liquidity risk is the risk that the Institution will encounter difficulty in meeting financial obligations due to shortage of funds.

The Institution monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance its operations and to mitigate the effects of fluctuations in cash flows.

The following is the maturity profile of the financial liabilities of the Institution based on contractual undiscounted payments:

	1 year or less $	1 to 5 years $	Total $
2019			
Trade and other payables	675,642	-	675,642
Lease liabilities	205,764	443,201	648,965
	881,406	443,201	1,324,607

22. Financial instruments, financial risks and capital management (continued)

(b) Financial risk management (continued)

Liquidity risk (continued)

	1 year or less $	1 to 5 years $	Total $
2018			
Trade and other payables	185,291	-	185,291
Finance lease liabilities	7,582	16,574	24,156
	192,873	16,574	209,447

23. Funds management policies and objective

The Institution regards its general fund as its reserves. The Institution's funds management policies require it to maintain sufficient reserves to ensure long term financial sustainability and continuity for the purpose of providing free consultation and subsidised traditional chinese medication to the community.

The Institution aims to achieve its reserves at a level equal to about 3 times of its total annual expenditure so that its operational activities can continue in times of unforeseen difficulty. The Institution is not subject to any externally imposed reserve requirement.

Fair values of financial instruments

Except as disclosed in the financial statements, the Institution has determined that the carrying amounts of financial assets and liabilities approximate their fair values because these instruments are short-term in nature.

24. Standards issued but not yet effective

New standards, amendments to standards and interpretations that have been issued but are not yet effective for annual period beginning on 1 January 2019 have not been applied in preparing these financial statements. Management expects that the adoption of these new standards, amendments and interpretations will have no material impact on the financial statements in the period of initial application.

善济医社

Sian Chay Medical Institution

资产负债表

二零一九财政年度

Balance Sheet

As at 31 December 2019

		Note	2019 $	2018 $
ASSETS	**资产**			
Current assets	**流动资产**			
Cash and cash equivalents	现金及现金等价物	4	29,344,993	19,441,949
Other receivables	其他应收款	5	304,233	185,108
Inventories	存货	6	368,393	144,881
			30,017,619	19,771,938
Non-current assets	**非流动资产**			
Property, plant and equipment	产业及设备	7	1,008,049	975,100
			1,008,049	975,100
Total assets	**总资产**		31,025,668	20,747,038
LIABILITIES	**负债**			
Current liabilities	**流动负债**			
Trade and other payables	应付帐款及其他应付款	8	675,642	185,291
Lease liabilities	租赁负债	9	175,728	-
Finance lease liabilities	融资租赁负债	21	-	6,616
			851,370	191,907
Non-current liabilities	**非流动负债**			
Lease liabilities	租赁负债	9	405,334	-
Finance lease liabilities	融资租赁负债	21	-	15,273
Deferred income	递延收入		8,314	8,314
			413,648	23,587
Total liabilities	**总负债**		1,265,018	215,494
NET ASSETS	**净资产**		29,760,650	20,531,544
FUNDS	**资金**			
Capital fund	资本基金	10	230,000	230,000
Unrestricted fund	不受限制的基金			
General fund	-累积基金		21,899,518	16,382,044
Restricted fund	受限制的基金			
Endowment fund	捐赠基金	10	7,631,132	3,919,500
Total funds	**总资金**		29,760,650	20,531,544

The accompanying notes form an integral part of these financial statements

善济医社 Sian Chay Medical Institution
收益及支出报表
二零一九财政年度

Statement of Income and Expenditure
For the financial year ended 31 December 2019

		Note	二零一九财政年度 2019 不受限制的基金 Unrestricted fund $	受限制的基金 Restricted fund Memorial Endowment fund $	总基金 Total $	二零一八财政年度 2018 总基金 Total $
INCOME	**收入**					
Voluntary income	自愿收入	11	13,380,755	3,657,047	17,037,802	10,676,639
Charitable income	慈善收入	12	2,254,734	-	2,254,734	1,702,731
Investment income	投资收入	13	356,622	54,585	411,207	195,639
Other income	其他收入	14	110,795	-	110,795	182,933
Total income	**总收入**		16,102,906	3,711,632	19,814,538	12,757,942
EXPENDITURE	**费用**					
Cost of generating voluntary income	产生自愿收入成本	15	3,103,656	-	3,103,656	1,094,833
Cost of charitable activties	慈善活动成本	16	1,496,832	-	1,496,832	1,240,807
Governance costs	监管成本	17	27,150	-	27,150	24,005
Write-off of equity instruments at fair value through other comprehensive income	注销股权工具公允价值		-	-	-	1,028,720
Other expenses	其他费用	18	5,946,417	-	5,946,417	5,173,848
Total expenditures	**总费用**		10,574,055	-	10,574,055	8,562,213
Surplus for the year	**本财政年度盈余**		5,528,851	3,711,632	9,240,483	4,195,729

The accompanying notes form an integral part of these financial statements

善济医社 Sian Chay Medical Institution

储备变动状况表

二零一九财政年度

Statement of Changes in Funds

For the financial year ended 31 December 2019

			不受限制的基金 Unrestricted fund	← 受限制的基金 Restricted fund	→	
		资本基金	累积基金	中医医疗基金	纪念性捐赠基金	总基金
		Capital fund	General fund	TCM medi fund	Memorial endowment fund	Total
		$	$	$	$	$
Balance at 1 January 2018	二零一八年年初结存	230,000	15,936,086	169,729	-	16,335,815
Surplus for the year	二零一八财政年度盈余	-	445,958	(169,729)	3,919,500	4,195,729
Balance at 31 December 2018	二零一八年年末结存	230,000	16,382,044	-	3,919,500	20,531,544
Adoption of FRS 116	采纳FRS 116准则的影响	-	(11,377)	-	-	(11,377)
Balance at 1 January 2019	二零一九年年初结存	230,000	16,370,667	-	3,919,500	20,520,167
Surplus for the year	二零一九财政年度盈余	-	5,528,851	-	3,711,632	9,240,483
Balance at 31 December 2019	二零一九年年末结存	230,000	21,899,518	-	7,631,132	29,760,650

The accompanying notes form an integral part of these financial statements

善济医社 Sian Chay Medical Institution

二零一九财政年度现金流量表

Statement of Cash Flows

For the financial year ended 31 December 2019

		Note	二零一九 2019 $	二零一八 2018 $
Cash flows from operating activities	**运作活动的现金流量**			
Surplus for the year	本财政年度盈余		9,240,483	4,195,729
Adjustments for:	非现金项目的调整			
Depreciation of property, plant and equipment	产业及设备折旧		728,115	733,365
Amortisation of deferred income	递延收入摊销		-	(24,260)
Write-off of equity investments at fair value at fair value through other comprehensive income	注销股权工具公允价值		-	1,028,720
Interest expense	利息费用		37,353	1,299
Interest income	利息收入		(411,207)	(195,639)
Operating cash flows before working capital changes	运作资金变动前的现金流		9,594,744	5,739,214
Changes in working capital:	营运资金的变动			
Other receivables	其他应收款		51,921	(23,230)
Inventories	存货		(223,512)	28,542
Trade and other payables	应付帐款及其他应付款		490,351	(50,985)
Net cash from operating activities	来自运作活动之净现金		9,913,504	5,693,541
Cash flows from investing activities	投资活动的现金流量			
Purchase of property, plant and equipment (Note A)	购买产业及设备		(55,725)	(145,631)
Interest received	利息收入		240,161	209,680
Changes in fixed deposits with maturity period of more than 3 months	超过三个月期限的定期存款之变动		(17,215,602)	2,751,540
Net cash (used in)/from investing activities	(用于)/来自投资活动的净现金		(17,031,166)	2,815,589
Cash flows from financing activities	金融活动的现金流量			
Payment of principal portion of lease liabilities	偿还租赁负债		(157,543)	-
Repayment of obligations under finance lease	偿还融资租赁负债		-	(6,283)
Interest paid	支付利息		(37,353)	(1,299)
Net cash used in financing activities	用于金融活动的净现金		(194,896)	(7,582)
Net change in cash and cash equivalents	现金与现金等值物之净变动		(7,312,558)	8,501,548
Cash and cash equivalents at beginning of year	年初现金与现金等价物		9,209,703	708,155
Cash and cash equivalents at end of year	年末现金与现金等价物	4	1,897,145	9,209,703

Note A: During the financial year, the Institution acquired property, plant and equipment with an aggregate cost of $188,810 of which $133,085 pertains to right-of-use assets and the balance of $55,725 paid by cash. In the previous financial year, cash payment of $145,631 was made to purchase property, plant and equipment.

The accompanying notes form an integral part of these financial statements

11. Voluntary income 自愿收入

		二零一九 2019 $	二零一八 2018 $
Unrestricted	**不受限制的**		
Tax deductible donations	可扣税的捐款	8,479,963	4,178,003
Grants	政府补助	617,332	828,949
Other donations	其他捐款	4,283,460	1,750,187
		13,380,755	6,757,139
Restricted	**受限制的**		
Memorial endowment fund	捐赠基金	3,657,047	3,919,500
		3,657,047	3,919,500
		17,037,802	10,676,639

12. Charitable income 慈善收入

		二零一九 2019 $	二零一八 2018 $
Acupuncture treatment fees	针灸治疗收入	488,748	388,704
Cupping treatment fees	拔罐治疗收入	48,890	34,004
Herb treatment fees	草药治疗收入	31,202	31,640
Tuina therapy treatment fees	推拿治疗收入	374,036	328,287
Prescription fees	病人登记费	1,007,140	911,639
Sale of healthcare products	保健产品销售	292,732	-
Others	其他	11,986	8,457
		2,254,734	1,702,731

13. Investment income 投资收入

		二零一九 2019 $	二零一八 2018 $
Interest income	利息收入		
Unrestricted	不受限制的	356,622	195,639
Restricted	受限制的	54,585	-
		411,207	195,639

14. Other income 其他收入

		二零一九 2019 $	二零一八 2018 $
Amortisation of deferred income	递延收入摊销	-	24,260
Special employment credit	雇用补贴所得	54,755	57,202
Temporary employment credit	短期雇用补贴所得	-	6,857
Wage credit scheme	薪金补贴所得	55,064	91,233
Others	其他	976	3,381
		110,795	182,933

15. Cost of generating voluntary income 产生自愿收入成本

		二零一九 2019 $	二零一八 2018 $
Cost of fund raising	筹资成本	3,103,656	1,094,833

16. Cost of charitable activities 慈善活动成本

		二零一九 2019 $	二零一八 2018 $
Medicine and medical supplies	药物和医疗用品		
Unrestricted	不受限制的活动	1,496,832	1,180,969
Restricted	受限制的活动	-	59,838
		1,496,832	1,240,807

17. Governance costs 监管成本

		二零一九 2019 $	二零一八 2018 $
Audit fees	审计费	27,150	24,005

18. Other expenses 其他费用

		二零一九 2019 $	二零一八 2018 $
Unrestricted	**不受限制的**		
Bank charges	银行手续费	116,710	21,838
Branding	品牌化费	100,000	-
Brochures	手册刊印费	5,533	2,780
Community event	社区活动	155,509	-
Community relation	社区关系	139,776	23,300
Community welfare and services	社区福利	110,305	219,121
Depreciation of property, plant and equipment	产业及设备折旧	728,115	733,365
General expenses	杂费	192,080	46,425
GST input tax not claimable	无抵扣消费税	347,544	155,974
Insurance	保险费	24,806	47,178
Interest expense on finance leases	融资租赁利息费用	-	1,299
Interest expense on lease liabilities (Note 9)	租赁利息费用	37,353	-
IT maintenance	信息技术维护费用	30,921	-
Lease expense (Note 9)	租赁费用	67,361	228,845
Legal fee	法律费用	650	4,493
License fee	牌照费	2,910	3,095
Maintenance charges	维修费	43,246	73,126
Marketing communication expenses	宣传费	90,783	151,761
Media	传媒费	9,800	31,015
Medical records, receipts, stationery	医药记录，单据及其他文具	7,864	9,195
Momentoes for donors	纪念品	60,266	28,214
Office supplies	办公室费用	113,889	95,472
Other equipment expensed off	其他设备注销	865	2,076
Photo frames for photo gallery (all outlets)	相集相框费	1,260	11,618
Photography/Video services	摄影/视频服务费	12,959	1,330
Printing charges	印刷费	30,029	19,174
Project expenses	客户关系管理项目	40,864	59,278
Property tax	产业税	1,880	1,800
Property, plant and equipment expensed off	产业及设备注销	30,278	9,909
Property, plant and equipment written off	产业及设备报废	-	3,345
Recruitment costs	招募费	4,087	10,599
Carried forward	结转	2,507,643	1,995,625

财务报表附注

二零一九财政年度

Notes to the Financial Statements
31 December 2019

		二零一九 2019 $	二零一八 2018 $
Unrestricted (continued)	**不受限制的 (延續)**		
Balance brought forward	余额承前	2,507,643	1,995,625
Signages for outlets	医社招牌	960	4,332
Staff bonding/interaction	员工交流会	58,610	24,438
Staff training	员工培训	17,501	26,366
Start-up costs of new outlets	新分社开办费	16,620	2,415
Tools and accessories	工具和配件费用	130	-
Telephone and internet charges	电话和网络费用	37,668	32,273
Transport charges	交通费	32,896	19,278
Utilities expense	水电费	64,284	49,988
Website hosting and social media	网页寄存及社交传媒费用	40,000	27,000
		2,776,312	2,181,715
Employee benefits expense	雇员福利费用		
- salaries, bonuses and related costs	员工薪金，花红及相关成本	2,776,818	2,557,643
- employer's contribution to Central Provident Fund	雇主缴付之公积金额	393,287	324,599
		3,170,105	2,882,242
		5,946,417	5,063,957
Restricted	**受限制的**		
Employee benefits expense	雇员福利费用		
- salaries, bonuses and related costs	员工薪金，花红及相关成本	-	97,026
- employer's contribution to Central Provident Fund	雇主缴付之公积金额	-	12,865
		-	109,891
		5,946,417	5,173,848