

SIAN CHAY MEDICAL INSTITUTION
(Registered in Singapore)
UEN No. S62SS0055D
(Registered under the Charities Act, Chapter 37)
FINANCIAL STATEMENTS
31 December 2015

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
(Registered in Singapore)

STATEMENT BY MANAGEMENT COMMITTEE

In the opinion of the Management Committee, the accompanying financial statements of Sian Chay Medical Institution (the "Institution") are drawn up so as to present fairly, in all material respects, the financial position of the Institution as at 31 December 2015, and the financial performance, 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
21 March 2016

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SIAN CHAY MEDICAL INSTITUTION

Report on the Financial Statements

We have audited the accompanying financial statements of Sian Chay Medical Institution (the "Institution") which comprise the balance sheet as at 31 December 2015, the statement of income and expenditure, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management Committee's Responsibility for the Financial Statements

The Management Committee is responsible for the presentation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Charities Act Chapter 37 (the "Act") and Singapore Financial Reporting Standards and for such internal control as the Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Management Committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to present fairly in all material respects, the financial position of the Institution as at 31 December 2015 and the financial performance, changes in funds and cash flows of the Institution for the financial year ended on that date.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SIAN CHAY MEDICAL INSTITUTION**

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
21 March 2016

SIAN CHAY MEDICAL INSTITUTION

BALANCE SHEET

31 December 2015

	Note	2015 \$	2014 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	4,175,209	3,016,884
Other receivables	4	150,168	1,052,424
Inventories	5	112,447	39,596
		<u>4,437,824</u>	<u>4,108,904</u>
Non-current assets			
Property, plant and equipment	6	990,842	534,944
		<u>990,842</u>	<u>534,944</u>
Total assets		<u>5,428,666</u>	<u>4,643,848</u>
LIABILITIES			
Current liabilities			
Other payables	7	75,250	8,800
		<u>75,250</u>	<u>8,800</u>
Total liabilities		<u>75,250</u>	<u>8,800</u>
NET ASSETS		<u>5,353,416</u>	<u>4,635,048</u>
FUNDS			
Capital fund	8	230,000	230,000
<u>Unrestricted fund</u>			
General fund		4,123,416	3,405,048
<u>Restricted fund</u>			
TCM medi fund	8	1,000,000	1,000,000
		<u>5,353,416</u>	<u>4,635,048</u>
Total funds		<u>5,353,416</u>	<u>4,635,048</u>


Chairman


Hon. Treasurer

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF INCOME AND EXPENDITURE

Financial year ended 31 December 2015

		Financial year ended	Financial period from		
	Note	31.12.2015	1.10.2013 to 31.12.2014		
		Unrestricted fund	Unrestricted fund	Restricted fund	Total
		\$	\$	\$	\$
INCOME					
Voluntary income	9	2,783,214	3,012,916	1,000,000	4,012,916
Charitable income	10	736,500	340,531	-	340,531
Investment income	11	76,021	32,420	-	32,420
Other income	12	75,316	47,446	-	47,446
Total income		3,671,051	3,433,313	1,000,000	4,433,313
EXPENDITURE					
Cost of generating voluntary income	13	69,223	125,684	-	125,684
Cost of charitable activities	14	544,489	261,717	-	261,717
Governance costs	15	42,509	9,900	-	9,900
Other expenses	16	2,296,462	1,123,655	-	1,123,655
Total expenditure		2,952,683	1,520,956	-	1,520,956
Net income for the financial year/period		718,368	1,912,357	1,000,000	2,912,357

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF CHANGES IN FUNDS

Financial year ended 31 December 2015

	Capital fund \$	Unrestricted fund General fund \$	Restricted fund TCM medi fund \$	Total \$
Balance at 1 October 2013	230,000	1,492,691	-	1,722,691
Net income for the financial period	-	1,912,357	1,000,000	2,912,357
Balance at 31 December 2014	230,000	3,405,048	1,000,000	4,635,048
Net income for the financial year	-	718,368	-	718,368
Balance at 31 December 2015	230,000	4,123,416	1,000,000	5,353,416

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF CASH FLOWS

Financial year ended 31 December 2015

	Note	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Cash flows from operating activities			
Net income for the financial year/period		718,368	2,912,357
Adjustments for:			
Depreciation of property, plant and equipment		330,801	198,235
Interest income		(43,021)	(7,920)
Operating cash flows before working capital changes		1,006,148	3,102,672
Changes in working capital:			
Other receivables		902,256	(1,048,842)
Inventories		(72,851)	(18,735)
Other payables		66,450	(1,234)
Net cash from operating activities		1,902,003	2,033,861
Cash flows from investing activities			
Purchase of property, plant and equipment		(786,699)	(507,399)
Interest received		43,021	7,920
Net cash used in investing activities		(743,678)	(499,479)
Net change in cash and cash equivalents		1,158,325	1,534,382
Cash and cash equivalents at beginning of financial year/period		3,016,884	1,482,502
Cash and cash equivalents at end of financial year/period	3	4,175,209	3,016,884

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

These notes form 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.

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

The financial statements of the Institution for the year ended 31 December 2015 were authorised for issue by the Management Committee on 21 March 2016.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) 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.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Institution's accounting policies. It also requires the use of accounting estimates and assumptions. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates. Management is of the opinion that there are no areas involving critical judgements and no areas where estimates and assumptions are significant to the financial statements.

The accounting policies adopted are consistent with those of the previous period except that in the current financial year, the Institution has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on 1 January 2015. The adoption of these new/revised FRSs and INT FRSs does not have any effect on the financial performance or position of the Institution for the current or prior financial years.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

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(b) FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Institution's balance sheet when the Institution becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments through the expected life of the financial instrument, or where appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

Financial assets

Financial assets are classified into the following specified categories: financial assets "at fair value through profit or loss", "held-to-maturity investments", "available-for-sale" financial assets and "loans and receivables". The classification depends on the nature and purpose of financial assets and is determined at the time of initial recognition.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Loans and receivables are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables where the recognition of interest would be immaterial. Loans and receivables are presented as "cash and cash equivalents" and "other receivables" on the balance sheet.

Impairment of financial assets

The Institution assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired.

Assets carried at amortised cost

For financial assets carried at amortised cost, the Institution first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Institution determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

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If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset shall be reduced either directly or through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Institution considers factors such as the probability of insolvency or significant financial difficulties of its members and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Derecognition of financial assets

The Institution derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Institution neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Institution recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Institution retains substantially all the risks and rewards of ownership of a transferred financial asset, the Institution continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Financial liabilities

Financial liabilities include accrued charges.

Other financial liabilities

Other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

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NOTES TO THE FINANCIAL STATEMENTS

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Derecognition of financial liabilities

The Institution derecognises financial liabilities when, and only when, the Institution's obligations are discharged, cancelled or they expire.

(c) 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 an asset begins when it is available for use and is computed on a straight-line basis to allocate the depreciable amounts of the assets over the estimated useful lives of the assets as follows:

Freehold properties	50 years
Air-conditioners	3 years
Renovation and fixtures	3 years
Others	3-5 years

Freehold land is not depreciated.

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

The residual values, useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period 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.

(d) IMPAIRMENT OF NON-FINANCIAL ASSETS

The Institution's non-financial assets are reviewed for impairment at the end of each reporting period and whenever there is any indication that these assets may be impaired. If any such indication exists or when an annual impairment testing for an asset is required, the recoverable amount of the asset is estimated to determine the amount of the impairment loss (if any).

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Recoverable amount of an asset is the higher of its fair value less cost to sell and value in use. For the purpose of impairment testing, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating unit ("CGU") to which the asset belongs.

If the recoverable amount of the asset or CGU is estimated to be less than its carrying amount, the carrying amount of the asset or CGU is reduced to its recoverable amount and the impairment loss is recognised in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset or CGU is increased to the revised estimate of its recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset or CGU in prior financial years. A reversal of impairment loss is recognised in profit or loss.

(e) INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined primarily on a first-in-first-out basis and includes all costs 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.

(f) INCOME RECOGNITION

Revenue including donations and grants that provide core funding or are of general nature are recognised where there is (a) entitlement (b) certainty (c) sufficient reliability of measurement. Such income is only deferred when: donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Institution has unconditional entitlement. The revenue amount from services is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the period arising from the ordinary activities of the Institution and it is shown net of related sales tax, discounts and rebates.

Donations

Revenue from donations is recognised when received, except for committed donations that are recognised when the commitments are signed.

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NOTES TO THE FINANCIAL STATEMENTS

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Government grants

A government grant is recognised at its 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.

Rendering of services

Revenue from rendering of services, which include acupuncture, massage treatment and registration fees is recognised when the services are completed.

Investment and related revenue

Interest income is recognised on a time-proportion basis using the effective interest rate that takes into account the effective yield on the asset. Rental income from operating leases is recognised on a straight line basis over the lease term.

(g) 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 end of the reporting period.

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

(h) 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 end of the reporting period, 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.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

(i) LEASES

Operating leases - where the Institution is a lessor

Leases where the Institution retains substantially all the risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases is disclosed in Note 2(f) above.

Operating leases - where the Institution is a lessee

Leases where a significant portion of the risks and rewards of ownership 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 lease.

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 the termination takes place.

(j) RELATED PARTIES

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Institution if that person:
 - (i) Has control or joint control over the Institution;
 - (ii) Has significant influence over the Institution; or
 - (iii) Is a governing board member, trustee or member of the key management personnel of the Institution or of a parent of the Institution.
- (b) An entity is related to the Institution if any of the following conditions applies:
 - (i) The entity and the Institution are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) The entity is an associate or joint venture of the Institution (or an associate or joint venture of a member of a group of which the Institution is a member) and vice versa.
 - (iii) The entity and the Institution are joint ventures of the same third party.
 - (iv) The entity is a joint venture of a third entity and the Institution is an associate of the third entity and vice versa.

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(v) The entity is controlled or jointly controlled by a person identified in (a).

(vi) A person identified in (a) (i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).

(k) CASH AND CASH EQUIVALENTS

Cash and cash equivalents consist of cash on hand, bank balances and fixed deposits placed with financial institutions.

3. CASH AND CASH EQUIVALENTS

	2015 \$	2014 \$
Cash at banks and on hand	387,522	1,966,064
Fixed deposits	3,787,687	1,050,820
	<u>4,175,209</u>	<u>3,016,884</u>

Fixed deposits have a tenure of 3 to 12 months and earn interest at rates ranging from 0.70% to 1.80% (2014: 0.35% to 1.45%) per annum.

4. OTHER RECEIVABLES

	2015 \$	2014 \$
Donation receivable	-	53,888
Grant receivable	-	994,429
Interest receivable	20,933	-
Refundable deposits	64,126	2,306
Prepayments	65,109	1,801
	<u>150,168</u>	<u>1,052,424</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

5. INVENTORIES

	2015 \$	2014 \$
Medical supplies	112,447	39,596
Cost of inventories recognised in statement of income and expenditure and included in cost of charitable activities	544,489	261,717

6. PROPERTY, PLANT AND EQUIPMENT

2015

	Freehold properties \$	Air conditioner \$	Renovation and fixtures \$	Other assets \$	Total \$
Cost					
Balance at beginning	415,603	29,127	615,660	127,001	1,187,391
Additions	-	12,305	594,284	180,110	786,699
Balance at end	415,603	41,432	1,209,944	307,111	1,974,090
Accumulated depreciation					
Balance at beginning	232,737	29,127	317,828	72,755	652,447
Charge for the financial year	-	2,733	254,354	73,714	330,801
Balance at end	232,737	31,860	572,182	146,469	983,248
Carrying amount					
Balance at 31 December 2015	182,866	9,572	637,762	160,642	990,842

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

2014

	Freehold properties \$	Air conditioner \$	Renovation and fixtures \$	Other assets \$	Total \$
Cost					
Balance at beginning	415,603	29,127	183,645	51,617	679,992
Additions	-	-	432,015	75,384	507,399
Balance at end	415,603	29,127	615,660	127,001	1,187,391
Accumulated depreciation					
Balance at beginning	232,737	27,303	151,660	42,512	454,212
Charge for the financial period	-	1,824	166,168	30,243	198,235
Balance at end	232,737	29,127	317,828	72,755	652,447
Carrying amount					
Balance at 31 December 2014	182,866	-	297,832	54,246	534,944

Other assets include computers, diagnosis and office equipment, and furniture and fittings.

7. OTHER PAYABLES

	2015 \$	2014 \$
Deposits received	9,500	3,000
Accruals	65,750	5,800
	<u>75,250</u>	<u>8,800</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

8. FUNDS

Capital fund

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

TCM medi fund

The TCM medi fund was established on 3 September 2014 from the monies donated by Lee Foundation to subsidise the Traditional Chinese Medicine (TCM) treatment expenses of the Pioneer Generation and CHAS Card patients for the period up to 2020.

9. VOLUNTARY INCOME

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Unrestricted		
Tax deductible donations	1,955,550	2,709,750
Grant from Tote Board	50,000	50,000
Other donations	777,664	253,166
	2,783,214	3,012,916
Restricted		
TCM medi fund (Note 8)	-	1,000,000
	2,783,214	4,012,916

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

10. CHARITABLE INCOME

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Acupuncture registration fees	148,045	61,365
Herb treatment fees	5,565	-
Massage treatment fees	195,795	87,742
Patient registration fees	386,520	190,874
Others	575	550
	<u>736,500</u>	<u>340,531</u>

11. INVESTMENT INCOME

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Interest income	43,021	7,920
Rental income	33,000	24,500
	<u>76,021</u>	<u>32,420</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

12. OTHER INCOME

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Special Employment Credit	39,397	45,246
Wage credit scheme	35,173	-
Others	746	2,200
	<u>75,316</u>	<u>47,446</u>

13. COST OF GENERATING VOLUNTARY INCOME

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Cost of fund raising	<u>69,223</u>	<u>125,684</u>

14. COST OF CHARITABLE ACTIVITIES

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Medicine and medical supplies	<u>544,489</u>	<u>261,717</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

15. GOVERNANCE COSTS

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Accountancy fee	-	6,000
Audit fee		
- internal audit	33,876	-
- external audit	8,633	3,900
	<u>42,509</u>	<u>9,900</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

16. OTHER EXPENSES

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Advertisement	-	23,002
Agent commission	4,815	-
Bank charges	1,145	464
Brochure	12,679	-
Cleaning expenses	7,202	4,665
Community services	68,696	-
Depreciation of property, plant and equipment	330,801	198,236
Donation	-	68,867
Food and refreshment	486	-
General expenses	24,773	4,959
Import charges	604	3,308
Insurance	7,804	4,980
Legal fee	4,791	2,817
Maintenance charges	31,272	11,164
Media	15,443	19,135
Medical records, receipts and stationery	16,160	8,255
Momentoes for donors	23,834	4,810
Office supplies	23,022	17,108
Operating lease expense	88,210	3,431
Other equipment expensed off	4,900	1,347
Photo frames for photo gallery (all outlets)	11,706	8,521
Photography/Video services	3,870	-
Printing charges	9,756	-
Property maintenance fee	1,830	3,630
Property tax	3,640	4,260
Property, plant and equipment expensed off	38,749	10,169
Publicity	52,869	-
Recruitment	9,196	-
Rental of performance place	8,560	-
Signages for all outlets	31,646	6,339
Staff bonding/interaction	26,634	-
Staff training	7,305	5,955
Start-up costs of new outlet	14,690	13,457
Telephone and internet charges	11,225	5,889
Tools and accessories	159	5,085
Transport charges	17,638	6,608
Utilities charges	18,239	9,946
Website hosting and social media	12,500	-
	<u>946,849</u>	<u>456,407</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Employee benefits expense		
- salaries, bonuses and related costs	1,225,541	602,908
- employer's contribution to Central Provident Fund	124,072	64,340
	<u>1,349,613</u>	<u>667,248</u>
	<u>2,296,462</u>	<u>1,123,655</u>

17. 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.

18. RELATED PARTY TRANSACTIONS

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

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Short-term benefits paid to a key management personnel		
- salaries, bonuses and related costs	101,836	96,800
- employer's contributions to Central Provident Fund	8,652	7,581
	<u>110,488</u>	<u>104,381</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

19. COMMITMENTS

(a) Capital commitments

	2015 \$	2014 \$
Capital expenditure for the purchase of property, plant and equipment	-	47,925

(b) Operating lease commitments - as lessor

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Operating lease income for the financial year/period	33,000	24,500

At the end of the reporting period, the Institution has future minimum lease payments receivable in respect of rental of premises under non-cancellable operating leases contracted for but not recognised as receivables are as follows:

	2015 \$	2014 \$
Within one year	54,000	6,000
Between one and five years	27,000	-
	81,000	6,000

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

(c) Operating lease commitments – as lessee

	Financial year ended 31.12.2015 \$	Financial period from 1.10.2013 to 31.12.2014 \$
Operating lease expense for the financial year/period	88,210	-

At the end of the reporting period, the Institution has outstanding commitments for minimum lease payments in respect of premises under non-cancellable operating leases falling due as follows:

	2015 \$	2014 \$
Within one year	210,000	-
Between one and five years	346,835	-
	556,835	-

The above operating lease has a tenure of 3 years with an option to renew for a further term of 3 years. They do not contain any escalation clauses and do not provide for contingent rents.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

**20. FINANCIAL INSTRUMENTS, FINANCIAL RISKS
AND CAPITAL RISKS MANAGEMENT**

(a) Categories of financial instruments

Financial instruments as at the end of the reporting period are as follows:

	2015	2014
	\$	\$
Financial assets		
Loans and receivables	4,260,268	4,067,507
	<u> </u>	<u> </u>
Financial liabilities		
Financial liabilities at amortised cost	75,250	8,800
	<u> </u>	<u> </u>

(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 end of the reporting period, the maximum exposure to credit risk is represented by the carrying amount of each financial asset presented on the balance sheet. Cash is placed with banks which are regulated.

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 risks through the impact of changes in interest rates on its fixed deposits.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

Sensitivity analysis

At the end of the reporting period, an increase/decrease of 100 basis in interest rates of fixed deposits would increase/decrease net income for the financial year by \$37,877 (2014: \$10,508).

Liquidity risk

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

The Institution has sufficient cash balances to support the commitments for the existing liabilities. The Institution does not have any bank borrowings.

All financial liabilities in 2015 and 2014 are repayable on demand or due within one year from the end of the reporting period.

21. FUNDS MANAGEMENT POLICIES AND OBJECTIVE

The funds of the Institution comprise capital fund, general fund and restricted fund. The Institution aims to maintain an optimum level of funds to meet its operating expenditure. The Institution's approach to funds management remains unchanged since the previous financial period.

Fair values of financial instruments

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.

22. NEW OR AMENDED FRS AND INT FRS NOT YET EFFECTIVE

New standards, amendments to standards and interpretations that have been issued but not yet effective for the year ended 31 December 2015 have not been applied in preparing these financial statements. The Institution expects that the adoption of these new standards, amendments and interpretations will not have a material impact on the financial statements of the Institution in the period of their initial application.

善济医社
SIAN CHAY MEDICAL INSTITUTION

资产负债表
二零一五财政年度
BALANCE SHEET
31 December 2015

		Note	2015 \$	2014 \$
ASSETS	资产			
Current assets	流动资产			
Cash and cash equivalents	现金及现金等值物	3	4,175,209	3,016,884
Other receivables	其他应收款	4	150,168	1,052,424
Inventories	存货	5	112,447	39,596
			<u>4,437,824</u>	<u>4,108,904</u>
Non-current assets	非流动资产			
Property, plant and equipment	产业及设备	6	990,842	534,944
Total assets	总资产		<u>5,428,666</u>	<u>4,643,848</u>
LIABILITIES	负债			
Current liabilities	流动负债			
Other payables	其他应付款	7	75,250	8,800
Total liabilities	总负债		<u>75,250</u>	<u>8,800</u>
NET ASSETS	净资产		<u>5,353,416</u>	<u>4,635,048</u>
FUNDS	储备			
Capital fund	资本基金	8	230,000	230,000
<u>Unrestricted fund</u>	<u>不受限制的基金</u>			
General fund	-累积基金		4,123,416	3,405,048
<u>Restricted fund</u>	<u>受限制的基金</u>			
TCM medi fund	-中医医疗基金	8	1,000,000	1,000,000
Total funds	总储备		<u>5,353,416</u>	<u>4,635,048</u>


Chairman


Hon. Treasurer

The accompanying notes form part of these financial statements

善济医社
SIAN CHAY MEDICAL INSTITUTION

收益及支出报表

二零一五财政年度

STATEMENT OF INCOME AND EXPENDITURE

Financial year ended 31 December 2015

	Note	从二零一三年十月一日 至二零一四年十二月三十一日财政年度 Financial year ended 31.12.2015			
		不受限制的基金 Unrestricted fund		受限制的基金 Restricted fund	
		Financial year ended 31.12.2015		Financial period from 1.10.2013 to 31.12.2014	
		Unrestricted fund	Restricted fund	Unrestricted fund	Restricted fund
		\$	\$	\$	\$
INCOME					
收入					
自愿收入	9	2,783,214	3,012,916	1,000,000	4,012,916
慈善收入	10	736,500	340,531	-	340,531
投资收入	11	76,021	32,420	-	32,420
其他收入	12	75,316	47,446	-	47,446
Total income		3,671,051	3,433,313	1,000,000	4,433,313
EXPENDITURE					
费用					
产生自愿收入成本	13	69,223	125,684	-	125,684
慈善活动成本	14	544,489	261,717	-	261,717
监管成本	15	42,509	9,900	-	9,900
其他费用	16	2,296,462	1,123,655	-	1,123,655
Total expenditures		2,952,683	1,520,956	-	1,520,956
Net income for the financial year/period		718,368	1,912,357	1,000,000	2,912,357

The accompanying notes form part of these financial statements

善济医社
SIAN CHAY MEDICAL INSTITUTION

储备变动状况表
二零一五财政年度
STATEMENT OF CHANGES IN FUNDS
Financial year ended 31 December 2015

	资本基金	不受限制的基金 累积基金 Unrestricted fund	受限制的基金 中医医疗基金 Restricted fund	总基金
	Capital fund \$	General fund \$	TCM medi fund \$	Total \$
Balance at 1 October 2013	230,000	1,492,691	-	1,722,691
Net income for the financial period	-	1,912,357	1,000,000	2,912,357
Balance at 31 December 2014	230,000	3,405,048	1,000,000	4,635,048
Net income for the financial year	-	718,368	-	718,368
Balance at 31 December 2015	230,000	4,123,416	1,000,000	5,353,416

The accompanying notes form part of these financial statements

善济医社
SIAN CHAY MEDICAL INSTITUTION

二零一五财政年度现金流量表
STATEMENT OF CASH FLOWS
Financial year ended 31 December 2015

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Cash flows from operating activities	运作活动的现金流量		
Net income for the financial year/period	本财政年度净收入	718,368	2,912,357
Adjustments for:	非现金项目的调整		
Depreciation of property, plant and equipment	产业及设备折旧	330,801	198,235
Interest income	利息收入	(43,021)	(7,920)
Operating cash flows before working capital changes	运作资金变动前的现金流	1,006,148	3,102,672
Changes in working capital:	营运资金的变动		
Other receivables	其他应收款	902,256	(1,048,842)
Inventories	存货	(72,851)	(18,735)
Other payables	其他应付款	66,450	(1,234)
Net cash from operating activities	产自运作活动之净现金	1,902,003	2,033,861
Cash flows from investing activities	投资活动的现金流量		
Purchase of property, plant and equipment	购买产业及设备	(786,699)	(507,399)
Interest received	利息收入	43,021	7,920
Net cash from investing activities	来自投资活动的净现金	(743,678)	(499,479)
Net change in cash and cash equivalents	现金与现金等值物之净变动	1,158,325	1,534,382
Cash and cash equivalents at beginning of financial year/period	年初现金与现金等值物	3,016,884	1,482,502
Cash and cash equivalents at end of financial year/period	年末现金与现金等值物	3 4,175,209	3,016,884

The accompanying notes form part of these financial statements

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

9. VOLUNTARY INCOME 自愿收入

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Unrestricted	不受限制的		
Tax deductible donations	免税的乐捐	1,955,550	2,709,750
Grant from Tote Board	赛马博彩管理局乐捐	50,000	50,000
Other donations	其他乐捐	777,664	253,166
		<u>2,783,214</u>	<u>3,012,916</u>
Restricted	受限制的		
TCM medi fund (Note 8)	中医医疗乐捐	-	1,000,000
		<u>2,783,214</u>	<u>4,012,916</u>

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

10. CHARITABLE INCOME 慈善收入

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Acupuncture registration fees	针灸登记费	148,045	61,365
Herb treatment fees	草药治疗费	5,565	-
Massage treatment fees	按摩治疗费	195,795	87,742
Patient registration fees	病人登记费	386,520	190,874
Others	其他	575	550
		<u>736,500</u>	<u>340,531</u>

11. INVESTMENT INCOME 投资收入

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Interest income	利息收入	43,021	7,920
Rental income	租金收入	33,000	24,500
		<u>76,021</u>	<u>32,420</u>

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

12. OTHER INCOME 其他收入

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Special Employment Credit	雇用补贴所得	39,397	45,246
Wage credit scheme	薪金补贴所得	35,173	-
Others	其他	746	2,200
		<u>75,316</u>	<u>47,446</u>

13. COST OF GENERATING VOLUNTARY INCOME 产生自愿收入成本

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Cost of fund raising	筹资成本	<u>69,223</u>	<u>125,684</u>

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

14. COST OF CHARITABLE ACTIVITIES 慈善活动成本

		从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014
		二零一五 财政年度 Financial year ended 31.12.2015 \$
Medicine and medical supplies	药物和医疗用品	544,489
		261,717

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

15. GOVERNANCE COSTS 监管成本

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Accountancy fee	会计服务费	-	6,000
Audit fee	审计费		
- internal audit	内部审计	33,876	-
- external audit	外部审计	8,633	3,900
		<u>42,509</u>	<u>9,900</u>

善济医社

SIAN CHAY MEDICAL INSTITUTION

财务报表附注

二零一五财政年度

NOTES TO THE FINANCIAL STATEMENTS

31 December 2015

16. OTHER EXPENSES 其他费用

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Advertisement	广告费	-	23,002
Agent commission	代理佣金	4,815	-
Bank charges	银行手续费	1,145	464
Brochure	手册刊印费	12,679	-
Cleaning expenses	清洁费	7,202	4,665
Community Services	社区服务	68,696	-
Depreciation of property, plant and equipment	产业及设备折旧	330,801	198,236
Donation	乐捐	-	68,867
Food and refreshment	食物与饮料费	486	-
General expenses	杂费	24,773	4,959
Import charges	进口费用	604	3,308
Insurance	保险费	7,804	4,980
Legal fee	法律费用	4,791	2,817
Maintenance charges	维修费	31,272	11,164
Media	传媒费	15,443	19,135
Medical records, receipts and stationery	医药记录, 单据及其他文	16,160	8,255
Mementoes for donors	纪念品	23,834	4,810
Office supplies	办公室费用	23,022	17,108
Operating lease expense	经营租赁费用	88,210	3,431
Other equipment expensed off	其他设备注销	4,900	1,347
Photo frames for photo gallery (all outlets)	相集相框费	11,706	8,521
Photography/Video services	摄影/视频服务费	3,870	-
Balance carried forward		682,213	385,069

善济医社
SIAN CHAY MEDICAL INSTITUTION

财务报表附注
二零一五财政年度
NOTES TO THE FINANCIAL STATEMENTS
31 December 2015

		二零一五 财政年度 Financial year ended 31.12.2015 \$	从二零一三年 十月一日 至二零一四年 十二月三十一日 财政年度 Financial period from 1.10.2013 to 31.12.2014 \$
Balance brought forward		682,213	385,069
Printing charges	印刷费	9,756	-
Property maintenance fee	产业维修费	1,830	3,630
Property tax	产业税	3,640	4,260
Property, plant and equipment expensed off	产业及设备注销	38,749	10,169
Publicity	宣传费	52,869	-
Recruitment	招募费	9,196	-
Rental of performance place	表演场地租用费	8,560	-
Signages for all outlets	医社招牌	31,646	6,339
Staff bonding/Interaction	雇员互动费	26,634	-
Staff training	员工培训	7,305	5,955
Start-up costs of new outlet	新分行开办费	14,690	13,457
Telephone and internet charges	电话和网络费用	11,225	5,889
Tools and accessories	工具及配件	159	5,085
Transport charges	交通费	17,638	6,608
Utilities charges	水电费	18,239	9,946
Website hosting and social media	网页寄存及社交媒体费用	12,500	-
		<u>946,849</u>	<u>456,407</u>
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	1,225,541	602,908
- employer's contribution to Central Provident Fund	雇主缴付之公积金额	124,072	64,340
		<u>1,349,613</u>	<u>667,248</u>
		<u>2,296,462</u>	<u>1,123,655</u>