

SIAN CHAY MEDICAL INSTITUTION

(Registered in the Republic of Singapore)

UEN No. S62SS0055D

Financial Statements for the year ended
30 September 2011

Lau Lee Hua & Co

Certified Public Accountants

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SIAN CHAY MEDICAL INSTITUTION
(Registered in the Republic of Singapore)

30 September 2011

Chairman	:	Toh Soon Huat
Secretary	:	Teo Ngiang Heng
Treasurer	:	Lim Yong Guan
Auditors	:	Lau Lee Hua & Co Certified Public Accountants
Registered address	:	610 Geylang Road Singapore 389549

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SIAN CHAY MEDICAL INSTITUTION
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STATEMENT BY THE MANAGEMENT COMMITTEE

We, Toh Soon Huat, Chairman and Lim Yong Guan, Treasurer, hereby state that in the opinion of the Management Committee, the accompanying financial statements together with the notes thereon are drawn up in accordance with the provisions of the Singapore Charities Act Cap. 37 and Singapore Financial Reporting Standards, so as to present fairly the state of the affairs of Sian Chay Medical Institution as at 30 September 2011 and of the results, changes in equity and cash flows of the Institution for the year then ended on that date.

Signed at Singapore this 10 April 2012

On behalf of the Management Committee



Toh Soon Huat
Chairman



Lim Yong Guan
Honorary Treasurer

INDEPENDENT AUDITORS' REPORT

To the members of **Sian Chay Medical Institution**

We have audited the accompanying financial statements of **Sian Chay Medical Institution**, which comprise the balance sheet as at 30 September 2011, and the statement of comprehensive income, statement of changes in equity and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Charities Act Cap. 37 (the "Act") and Singapore Financial Reporting Standards, 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.

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 judgment, 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 the 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 management, 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 give a true and fair view of the state of affairs of the Institution as at 30 September 2011 and of the results, changes in equity and cash flows of the Institution for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Institution have been properly kept in accordance with the provisions of the Act



Lau Lee Hua & Co
Public Accountants and
Certified Public Accountants
Singapore
10 April 2012

Sian Chay Medical Institution
(Registered in the Republic of Singapore)

Balance Sheet
As at 30 September 2011

	Note	2011 S\$	2010 S\$
<u>ASSETS</u>			
<u>Non-Current Assets</u>			
Property , plant & equipment	4	187,969	183,483
Total Non-Current Assets		<u>187,969</u>	<u>183,483</u>
<u>Current Assets</u>			
Inventory	5	8,005	6,630
Trade and other receivables	6	3,309	3,891
Fixed deposit	7	638,385	633,449
Cash and cash equivalents	8	576,410	153,589
Total Current Assets		<u>1,226,109</u>	<u>797,559</u>
Total Assets		<u>1,414,078</u>	<u>981,042</u>
<u>EQUITY AND LIABILITIES</u>			
<u>Equity</u>			
Capital Fund		230,000	230,000
Accumulated Fund		1,165,504	731,359
Total Equity		<u>1,395,504</u>	<u>961,359</u>
<u>Current Liabilities</u>			
Trade and other payables	9	18,574	19,683
Total Current Liabilities		<u>18,574</u>	<u>19,683</u>
Total Liabilities		<u>18,574</u>	<u>19,683</u>
Total Equity and Liabilities		<u>1,414,078</u>	<u>981,042</u>

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

Statement of Comprehensive Income for the year ended 30 September 2011

	Note	Unrestricted	
		2011 S\$	2010 S\$
Income			
Voluntary income			
Donations	11	569,750	250,228
Entertainment Fund		-	1,230
		569,750	251,458
Charitable income			
Patients registration fees		65,780	75,940
		65,780	75,940
Investment income			
Fixed deposits interest income		5,409	6,476
Rental income		35,600	35,200
		41,009	41,676
Other income			
Jobs credit		-	3,907
Special employment credit		254	-
		254	3,907
Total income		676,793	372,981
Expenditure – Charitable expenses			
Cost of medicine			
Opening inventories		(6,630)	(5,084)
Purchases		(53,421)	(41,956)
		(60,051)	(47,040)
Closing inventories		8,005	6,630
Cost of medicine consumed		(52,046)	(40,410)
Other charitable expenses – Schedule I		(190,602)	(255,611)
Surplus before tax		434,145	76,960
Income tax	2(o)	-	-
Surplus for the year		434,145	76,960
Total comprehensive income		434,145	76,960

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

Sian Chay Medical Institution
(Registered in the Republic of Singapore)

Statement of Comprehensive Income
Schedule I – Other Charitable expenses for the year ended 30 September 2011

	2011 S\$	2010 S\$
Acupuncture needle	840	-
Administrative charge	50	-
Air-conditioners service charge	-	364
Art exhibition expenses	34,993	80,092
Auditor's fees	2,600	2,500
Bank charges	937	735
CPF	6,370	5,381
Depreciation	1,893	5,136
Donations	30,101	33,291
Entertainment	-	2,129
General expenses	151	198
Import charges	1,862	1,842
Insurance	1,481	1,463
Internet expenses	-	735
Medicine bottles	1,090	700
Newspaper and periodicals	317	347
Pest control	-	300
Postages and stamps	1,288	1,838
Printing and stationery	1,414	17,757
Property maintenance fee	3,540	3,540
Property tax	2,640	2,640
Refreshments	14	-
Repair and maintenance	395	400
Salaries and bonus	93,791	89,220
Skill development levy	261	238
Subscription fees	232	374
Telephone	441	517
Transport	602	513
Utilities	3,140	3,202
Website	159	159
Total other charitable expenses	190,602	255,611

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

Sian Chay Medical Institution
(Registered in the Republic of Singapore)

Statement of Changes in Equity
For the financial year ended 30 September 2011

	2011	2010
	S\$	S\$
Reserves		
Accumulated surplus at the beginning of the year	731,359	654,399
Total comprehensive income for the year	<u>434,145</u>	<u>76,960</u>
Accumulated surplus at the end of the year	<u>1,165,504</u>	<u>731,359</u>
 Capital fund		
Balance at the beginning of the year	<u>230,000</u>	<u>230,000</u>
Balance at the end of the year	<u>230,000</u>	<u>230,000</u>
 Total equity	<u>1,395,504</u>	<u>961,359</u>

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

Sian Chay Medical Institution
(Registered in the Republic of Singapore)

Cash Flow Statement
For the financial year ended 30 September 2011

	2011 S\$	2010 S\$
Cash flows from operating activities		
Net surplus/(deficit) from operation	434,145	76,960
Adjustment for:		
Interest on fixed deposit	(5,409)	(6,476)
Depreciation	1,893	5,136
Operating surplus before working capital changes	<u>430,629</u>	<u>75,620</u>
Increase/(decrease) in working capital		
Inventories	(1,375)	(1,546)
Trade and other receivables	582	(1,970)
Trade and other payables	(1,109)	1,846
	<u>(1,902)</u>	<u>(1,670)</u>
Cash generated from operating activities	<u>428,727</u>	<u>73,950</u>
Cash flows from investing activities		
Interest received	473	-
Purchase of equipment	(6,379)	(4,518)
Net cash flows (used in) investing activities	<u>(5,906)</u>	<u>(4,518)</u>
Net increase/(decrease) in cash and cash equivalents	<u>422,821</u>	<u>69,432</u>
Cash and cash equivalents at the beginning of the year	<u>153,589</u>	<u>84,157</u>
Cash and cash equivalents at the end of the year	<u><u>576,410</u></u>	<u><u>153,589</u></u>

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

Notes to the accounts - 30 September 2011

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

1. General

The registered office of the Institution is located at 610 Geylang Road, (Off Lorong 36), Singapore 389549.

The principal activity of the Institution, which is registered with the Registry of Societies in the Republic of Singapore, is that of the provision of free medical treatment to the sick and to help the poor and needy.

2. Significant accounting policies

a. Basis of preparation of financial statements

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS). The accounting policies have been consistently applied by the company and are consistent with those used in the previous year. The financial statements have been prepared on a historical cost basis modified where applicable and as disclosed in these notes.

In current financial year, the company has adopted all relevant, new or revised financial reporting standards and interpretations.

The adoption of the new or revised FRSs does not have a material effect on the Institution accounting policies.

b. Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the Institution operates. The functional currency of the Institution is Singapore dollars.

c. Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRS that is relevant to the Institution was issued but not yet effective

	Effective date (annual periods beginning on or after)
Revised FRS 24 – Related party disclosures	1 January 2011
Amendments to FRS 107 Disclosures – Transfers of Financial Assets	1 July 2011
FRS 112 – Disclosure of interests in other entities	1 January 2013
FRS 113 – Fair value measurement	1 January 2013

The revised standard requires the disclosures of the nature of the related party relationships as well as the types of transactions and the elements of the transactions. The management expect that the adoption of the above standard will have no material impact on the financial statements in the period of initial application.

2. Significant accounting policies (Cont'd)

d. Property, plant and equipment

Property, Plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of property, plant and equipment is charged so as to write off the cost of assets over their estimated useful lives. The estimated useful lives are as follows:

Buildings	50 years
Renovation & fixture	5 years
Air-conditioning plant	5 years
Others	1 to 5 years

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the income statement for the financial year in which the changes arise.

Freehold properties consist of freehold land and building. No depreciation was provided for freehold land.

Fully depreciated assets are retained in the accounts until they are no longer in use.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to the property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Institution and the cost of the item can be measured reliably. Other subsequent expenditure is recognized as repair and maintenance expense to the income and expenditure account during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement.

e. Inventories

Inventories comprising medicinal herbs are stated at the lower of cost and net realisable value. Cost is computed on the first in-first-out basis. Net realizable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the selling expenses.

When inventories are sold, the carrying amount of those inventories is recognized as an expense in the period in which the related revenue is recognized. The amount of any write-down of inventories to net realizable value and all losses of inventories are recognized as an expense in the period the write-down or loss occurs. The amount of any reversal of any write-down of inventories is recognized as a reduction in the amount of inventories recognized as an expense in the period in which the reversal occurs.

2. Significant accounting policies (Cont'd)

f. Financial assets

(i) Classification

The Institution classifies its financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date. The designation of financial assets, at fair value through profit or loss is irrevocable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date in which case they are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

Held to maturity investments

Financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold the assets to maturity. Subsequent to initial recognition, held to maturity investments are measured at amortised cost using the effective interest method. Gains or losses are recognised in profit or loss when the investments are derecognized or impaired, as well as through the amortization process.

(ii) Recognition and de-recognition

Regular purchases and sales of financial assets are recognized on trade-date, the date on which the Institution commits to purchase or sell the asset. Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Institution has transferred substantially all risks and rewards of ownership.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the income statement.

(iii) Initial measurement

Financial assets are initially recognized at fair value plus transaction costs except for financial assets at fair value through income statement, which are recognized at fair value.

Transaction costs for financial assets at fair value through profit or loss are recognized in the income statement.

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

(v) Impairment

The Institution assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired.

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables is recognized when there is objective evidence that the Institution will not be able to collect all amounts due according to the original terms of the receivables. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganization, and default or delinquency in payments are considered indicators that the receivable is impaired. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance for impairment is recognized in the income statement.

2. Significant accounting policies (Cont'd)

g. Trade and other receivables

Trade and other receivable are recognized initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of contribution and other receivables is established when there is objective evidence that the Institution will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognized in income statement.

h. Cash and cash equivalents

Cash and cash equivalents include cash on hand and bank balances.

i. Impairment of non-financial assets

Property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, 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 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.

The impairment loss is recognized in the income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognized in the income statement, a reversal of that impairment is also recognized in the income statement.

j. Trade and other payables

Financial liabilities include trade payables, other payables, finance lease liabilities and borrowings. Financial liabilities are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using effective interest method. Trade and other payables are initially recognized at fair value, and subsequently carried at amortised cost, using the effective interest method.

Gains and losses are recognised in the income statement when the liabilities are derecognized as well as through the amortization process. A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired.

2. Significant accounting policies (Cont'd)

k. Fair value estimation

The carrying amounts of current financial assets and liabilities, carried at amortised cost are assumed to approximate their fair values.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that are available to the Institution for similar financial liabilities.

l. Provisions

Provisions for asset dismantlement, removal or restoration, warranty, restructuring costs and legal claims are recognized when the Institution has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Restructuring provisions comprise lease termination penalties and employee termination payments. Provisions are not recognized for future operating losses.

The Institution recognizes the estimated liability to repair or replace products still under warranty at the balance sheet date. This provision is calculated based on past historical experience of the level of repairs and replacements.

The Institution recognizes the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized in the income statement as interest expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognized in the income statement for the period the changes in estimates arise except for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognized in the income statement immediately.

m. Revenue recognition

Generally, revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institution and the revenue and the respective costs incurred can be measured reliably. More specifically:

Revenue from services provided is recognised on accrual basis.

Revenue from donation received, festival celebration and activities are recognised on cash basis.

Rental revenue is recognised on a time-proportion basis that takes into account the effective yield on the asset on a straight line basis over the lease term.

Interest is recognised as in income and expenditure statement when the entity's right to receive payment is established.

2. Significant accounting policies (Cont'd)

n. Employee benefit

(i) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Institution pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Institution has no further payment obligations once the contributions have been paid. The Institution's contributions are recognized as employee compensation expense when they are due.

(ii) Short-term benefits

All short-term employee benefits including accumulating compensated absences are recognized in the income statement in the period in which the employees rendered their services to the Institution.

o. Income tax

The institution is exempted from tax, provided the provisions of Section 13(1)(g) of the Income Tax Act Cap. 134 are complied with.

p. Financial instruments

Financial assets and financial liabilities carried on the balance sheet include cash and cash equivalents and other accounts receivable and payable. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in this note.

3. Critical accounting estimates, assumptions and judgment

The preparation of the Institution's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet 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.

(a) Useful lives of plant and equipment

The cost of plant and equipment are depreciated on a straight-line basis over the plant and equipment's estimated economic useful lives. Management estimates the useful lives of these plant and equipment to be within 3. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Institution's plant and equipment at the balance sheet date is disclosed in Note 5 to the financial statements.

3. Critical accounting estimates, assumptions and judgment (cont'd)

(b) Impairment of loans and receivables

The Institution assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired. To determine whether there is objective evidence of impairment, the Institution considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics. The carrying amount of the Institution's loans and receivables at the balance sheet date is disclosed in Note 6 to the financial statements.

4. Property, plant and equipment

	Freehold Properties	Renovation & Fixture	Air- Conditioning	Others	Total
Cost	S\$	S\$		S\$	S\$
At 1.10.2009	415,603	135,950	24,567	34,979	611,099
Additions for 2010	-	2,572	-	1,946	4,518
At 30.09.2010	415,603	138,522	24,567	36,925	615,617
Additions	-	-	4,560	1,819	6,379
At 30.09.2011	415,603	138,522	29,127	38,744	621,996
Depreciation					
At 1.10.2009	232,737	134,955	24,567	34,739	426,998
Charge for 2010	-	3,070	-	2,066	5,136
At 30.09.2010	232,737	138,025	24,567	36,805	432,134
Charge for year	-	497	912	484	1,893
At 30.09.2011	232,737	138,522	25,479	37,289	434,027
Net book value					
At 30.09.2011	182,866	-	3,648	1,455	187,969
At 30.09.2010	182,866	497	-	120	183,483

Others comprise of furniture & fittings, diagnosis equipment and office equipment.

The freehold properties are situated at 610, 610A and 610B Hilltop Centre, Geylang, Singapore and are held by the trustees of the Institution in accordance with Rule 13 of the Institution's rules and regulations. The premises are used as a clinic primarily to provide free medical treatment to the poor and needy. Part of the premises is rented out to generate rental income. The freehold properties include freehold land which is stated at cost, amounting to S\$182,866 based on Management's estimation.

5. Inventories

	2011 S\$	2010 S\$
Medicinal herbs	8,005	6,630

Inventories are denominated in Singapore dollars.

6. Trade and other receivables

	2011 S\$	2010 S\$
Deposits	485	485
Prepayment	1,124	1,706
Rental receivable	1,700	1,700
	<u>3,309</u>	<u>3,891</u>

Trade and other receivables are denominated in Singapore dollars.

7. Fixed deposit

Fixed deposits denominated in Singapore dollars with a tenure of 12 months (2010: 12 months) bears an interest of between 0.45% to 0.90% (2010: 0.55% to 1.00%) per annum.

8. Cash and cash equivalents

Cash and bank balances comprise the following accounts:

	2011 S\$	2010 S\$
Cash and bank balances	275,937	153,589
Fixed deposit with 3 months tenure	300,473	-
Total Not restricted in use	<u>576,410</u>	<u>153,589</u>

- (a) Cash and bank balances are denominated in Singapore dollars.
- (b) Fixed deposit with 3 months tenure denominated in Singapore dollars bears an interest of 0.3125% per annum.
- (c) The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 13.

9. Trade and other payables

	2011 S\$	2010 S\$
Deposits from tenants	6,200	6,000
Accruals	12,374	13,683
	<u>18,574</u>	<u>19,683</u>

Trade and other payables are denominated in Singapore dollars.

10. Employee Benefits Expense

	2011 S\$	2010 S\$
Salary	93,791	89,220
CPF & SDL	6,631	5,619
	<u>100,422</u>	<u>94,839</u>

There were no employees receiving salary exceeding \$50,000 during the financial year (2010: nil).

11. Donations

	2011 S\$	2010 S\$
Tax deductible donations	482,613	199,272
Other donations	87,137	50,956
Total A	<u>569,750</u>	<u>250,228</u>

Reconciliation to Form 6

	2011 S\$	2010 S\$
Tax deductible donations	482,613	199,272
Total tax deductible donations (Total B)	<u>482,613</u>	<u>199,272</u>
2 receipts issued for Entertainment fund under tax deductible receipts	-	200
Total as per Form 6	<u>482,613</u>	<u>199,472</u>
Non tax deductible donations		
Other donations	37,326	50,956
Doubtful amount under review by the authorities	49,811	-
-Proceeds from art exhibition		
Total C	<u>87,137</u>	<u>50,956</u>
Total B + Total C = Total A	<u>569,750</u>	<u>250,228</u>

12. Operating lease income commitments

At the balance sheet date, the total future minimum lease receivables under non-cancellable operating lease are as follows:

	2011 S\$	2010 S\$
Not later than one year	20,700	9,900
More than one year but no later than five years	5,200	-
	<u>25,900</u>	<u>9,900</u>
Rental income for the year	<u>35,600</u>	<u>35,200</u>

Operating lease income commitments are for certain of the office premises. The lease rental terms are negotiated for an average term of 1 and half years and rentals.

13. Financial risks and management

The Institution does not hold or issue derivative financial instruments for trading purposes in hedge against fluctuations. The Institution reviews and agrees policies for managing this risk. The main risks arising from the Institution financial instruments are:

(i) Credit risk

At the balance sheet date, there were no significant concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Cash and fixed deposit are placed with bank with high credit ratings.

13. Financial risks and management (cont'd)

(ii) *Interest rate risk*

The Institution's exposure to market risk for change in interest rates relates to the Institution's fixed deposit. The Institution manages this exposure by performing ongoing evaluation of its fixed deposits to obtain the most favorable rates.

Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for fixed deposits at the balance sheet date and the stipulated change taking place at the beginning of the financial year and held constant throughout the reporting period. A 50 basis point increase or decrease represents Institution's assessment of the possible change in interest rates.

It is estimated that a general increase of 50 basis points in interest rates, with all other variables held in constant, would increase the Institution's surplus after tax by approximately S\$3,192 (2010:S\$3,167).

A decrease of 50 basis points in interest rates would have had the equal but opposite effect on the basis that all other variables remain constant.

(iii) *Liquidity risk*

The Institution financing activities are managed by maintaining an adequate level of cash and cash equivalents to finance the Institution's operations and mitigate the effects of fluctuation in cash flows. The Institution's operations are financed mainly through equity.

All financial liabilities in 2010 and 2011 are repayable on demand or due within 1 year from the end of the reporting period

(iv) *Fair values*

The carrying amounts of cash and bank balances, trade and other receivables and payables, bank loans and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

14. Financial instruments

Classification of financial instruments

Financial assets and financial liabilities are measured on an ongoing basis either at fair value or at amortised costs. The principal accounting policies in Note 2 describe how classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities in the balance sheet by the class of financial instrument to which they are assigned, and therefore by the measurement basis:

	2011 S\$	2010 S\$
<u>Assets</u>		
Financial assets		
Loans and receivables	578,595	155,774
Held to maturity financial asset	638,385	633,449
Total financial assets	<u>1,216,980</u>	<u>789,223</u>
Non financial assets	<u>197,098</u>	<u>191,819</u>
	<u>1,414,078</u>	<u>981,042</u>
<u>Liabilities</u>		
Financial liabilities		
Financial liabilities at amortised cost	18,574	19,683
Total financial liabilities	<u>18,574</u>	<u>19,683</u>
Non financial liabilities	-	-
Total liabilities	<u>18,574</u>	<u>19,683</u>

15. Authorisation for issue

The Committee members of the Institution have, on the date of statement by the Management Committee, authorised the financial statements for the financial year ended 30 September 2011 for issue.