

SIAN CHAY MEDICAL INSTITUTION
(Registered in Singapore)
UEN No. S62SS0055D
(Registered under the Charities Act, Chapter 37)
FINANCIAL STATEMENTS
31 December 2014

UHY LEE SENG CHAN & CO
Public Accountants and
Chartered Accountants

SIAN CHAY MEDICAL INSTITUTION
UEN No. S62SS0055D

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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 present fairly in all material respects, the state of affairs of the Institution as at 31 December 2014, and of its results, changes in funds and cash flows of the Institution for the period 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



DATO' SERI TOH SOON HUAT BBM

拿督斯里卓顺发 BBM

Chairman

Singapore
28 February 2015



Hon. Treasurer

郭来兴

KEAK LAI HENG

Treasurer

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 2014, the statement of income and expenditure, statement of changes in funds and statement of cash flows for the financial period from 1 October 2013 to 31 December 2014, 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 these financial statements that 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 state of affairs of the Institution as at 31 December 2014 and the results, changes in funds and cash flows of the Institution for the period 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 period:

- (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.

Other Matter

The financial statements for the previous financial year ended 30 September 2013 were audited by another auditors whose report dated 11 March 2014 expressed an unqualified opinion on those financial statements.

UHY Lee Seng Chan & Co.

UHY Lee Seng Chan & Co
Public Accountants and
Chartered Accountants

Singapore
28 February 2015

SIAN CHAY MEDICAL INSTITUTION

BALANCE SHEET
31 December 2014

	Note	31.12.2014 \$	30.9.2013 \$
ASSETS			
Current assets			
Cash and cash equivalents	3	3,016,884	1,482,502
Other receivables	4	1,052,424	3,583
Inventories	5	39,596	20,862
		<u>4,108,904</u>	<u>1,506,947</u>
Non-current assets			
Property, plant and equipment	6	534,944	225,779
		<u>4,643,848</u>	<u>1,732,726</u>
Total assets			
LIABILITIES			
Current liabilities			
Other payables	7	8,800	10,035
		<u>8,800</u>	<u>10,035</u>
Total liabilities			
NET ASSETS		<u>4,635,048</u>	<u>1,722,691</u>
FUNDS			
Capital fund	8	230,000	230,000
<u>Unrestricted fund</u>			
General fund		3,405,048	1,492,691
<u>Restricted fund</u>			
TCM medi fund	8	1,000,000	-
		<u>4,635,048</u>	<u>1,722,691</u>
Total funds			

Chairman

DATO' SERI TOH SOON HUAT BBM

拿督斯里卓顺发 BBM

The accompanying notes form part of these financial statements

Hon. Treasurer

郭来兴

KEAK LAI HENG
Treasurer

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF INCOME AND EXPENDITURE

Period from 1 October 2013 to 31 December 2014

		Unrestricted fund	Restricted fund	← Total → Period from	
	Note	1.10.2013 to 31.12.2014	1.10.2013 to 31.12.2014	1.10.2013 to 31.12.2014	Year ended 30.9.2013
		\$	\$	\$	\$
INCOME					
Voluntary income	9	3,012,916	1,000,000	4,012,916	538,175
Charitable income	10	340,531	-	340,531	156,518
Investment income	11	32,420	-	32,420	46,263
Other income	12	47,446	-	47,446	9,601
Total income		3,433,313	1,000,000	4,433,313	750,557
EXPENDITURE					
Cost of generating voluntary income	13	125,684	-	125,684	63,123
Cost of charitable activities	14	261,717	-	261,717	101,335
Governance costs	15	9,900	-	9,900	11,100
Other expenses	16	1,123,655	-	1,123,655	344,205
Total expenditure		1,520,956	-	1,520,956	519,763
Net income for the period/year		1,912,357	1,000,000	2,912,357	230,794

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF CHANGES IN FUNDS

Period from 1 October 2013 to 31 December 2014

	Capital fund \$	Unrestricted fund General fund \$	Restricted fund TCM medi fund \$	Total \$
Balance at 1 October 2012	230,000	1,261,897	-	1,491,897
Net income for the year	-	230,794	-	230,794
Balance at 30 September 2013	230,000	1,492,691	-	1,722,691
Net income for the 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

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

STATEMENT OF CASH FLOWS

Period from 1 October 2013 to 31 December 2014

	Note	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Cash flows from operating activities			
Net income for the period/year		2,912,357	230,794
Adjustments for:			
Depreciation of property, plant and equipment		198,235	13,061
Interest income		(32,420)	(7,463)
		<hr/>	<hr/>
Operating cash flows before working capital changes		3,078,172	236,392
Changes in working capital:			
Other receivables		(1,048,842)	1,695
Inventories		(18,735)	(7,986)
Other payables		(1,234)	(18,255)
		<hr/>	<hr/>
Net cash from operating activities		2,009,361	211,846
		<hr/>	<hr/>
Cash flows from investing activities			
Purchase of property, plant and equipment		(507,399)	(29,655)
Interest received		32,420	1,503
		<hr/>	<hr/>
Net cash used in investing activities		(474,979)	(28,152)
		<hr/>	<hr/>
Net change in cash and cash equivalents		1,534,382	183,694
Cash and cash equivalents at beginning of the period/year		1,482,502	1,298,808
		<hr/>	<hr/>
Cash and cash equivalents at end of the period/year	4	<u>3,016,884</u>	<u>1,482,502</u>

The accompanying notes form part of these financial statements

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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 period ended 31 December 2014 were authorised for issue by the Management Committee on 28 February 2015.

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 financial year 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 October 2013. 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 financial period or prior financial year.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

(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. Loan and receivables are presented as "cash and cash equivalents" and "other receivables" on the balance sheet.

Impairment of financial assets

The Institution assesses at 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

31 December 2014

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.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

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.

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.

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NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

(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).

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 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, 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.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

Donations

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

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.

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 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 2014

(i) LEASES

Finance leases - where the Institution is a lessee

Leases where the Institution assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the leases at the lower of the fair value of the leased assets or the present value of the minimum lease payments. Each lease payment is apportioned between the finance charges and the reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. The lease obligations, net of finance charges, are included in borrowings. The finance charges are recognised in profit or loss over the lease period.

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.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

(iv) The entity is a joint venture of a third entity and the Institution is an associate of the third entity and vice versa.

(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 institution. For the purposes of the statement of cash flows, cash and cash equivalents are presented net of fixed deposit with maturity of more than 3 months.

3. CASH AND CASH EQUIVALENTS

	31.12.2014	30.9.2013
	\$	\$
Fixed deposits	1,050,820	1,043,829
Cash at banks and on hand	1,966,064	438,673
	<u>3,016,884</u>	<u>1,482,502</u>

Fixed deposits have a tenure of 3 to 12 months and earn interest at rates ranging from 0.35% to 1.15% (2013: 0.35% to 1.08%) per annum.

4. OTHER RECEIVABLES

	31.12.2014	30.9.2013
	\$	\$
Donation receivable	53,888	-
Grant receivable	994,429	-
Refundable deposits	2,306	1,030
Prepayment	1,801	653
Rental receivable	-	1,900
	<u>1,052,424</u>	<u>3,583</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

5. INVENTORIES

	31.12.2014	30.9.2013
	\$	\$
Medical supplies	39,596	20,862
	<u>39,596</u>	<u>20,862</u>
Cost of inventories recognised in statement of income and expenditure and included in cost of charitable activities	261,717	101,335
	<u>261,717</u>	<u>101,335</u>

6. PROPERTY, PLANT AND EQUIPMENT

31.12.2014

	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
	<u>415,603</u>	<u>29,127</u>	<u>615,660</u>	<u>127,001</u>	<u>1,187,391</u>
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
	<u>232,737</u>	<u>29,127</u>	<u>317,828</u>	<u>72,755</u>	<u>652,447</u>
Carrying amount					
Balance at 31 December 2014	182,866	-	297,832	54,246	534,944
	<u>182,866</u>	<u>-</u>	<u>297,832</u>	<u>54,246</u>	<u>534,944</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

30.9.2013

	Freehold properties \$	Air conditioner \$	Renovation and fixtures \$	Other assets \$	Total \$
Cost					
Balance at beginning	415,603	29,127	159,091	46,515	650,336
Additions	-	-	24,554	5,101	29,655
Balance at end	415,603	29,127	183,645	51,616	679,991
Accumulated depreciation					
Balance at beginning	232,737	26,391	142,636	39,387	441,151
Charge for the financial year	-	912	9,024	3,125	13,061
Balance at end	232,737	27,303	151,660	42,512	454,212
Carrying amount					
Balance at 30 September 2013	182,866	1,824	31,985	9,104	225,779

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

7. OTHER PAYABLES

	31.12.2014 \$	30.9.2013 \$
Deposits received	3,000	6,800
Accruals	5,800	3,235
	8,800	10,035

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.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

9. VOLUNTARY INCOME

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Unrestricted		
Tax deductible donations	2,709,750	445,747
Donation receivable from Tote Board	50,000	-
Other donations	253,166	92,428
	<u>3,012,916</u>	<u>538,175</u>
Restricted		
TCM medi fund (Note 8)	1,000,000	-
	<u>4,012,916</u>	<u>538,175</u>

10. CHARITABLE INCOME

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Patient registration fees	190,874	96,398
Accupuncture registration fees	61,365	36,090
Massage treatment fees	87,742	24,030
Others	550	-
	<u>340,531</u>	<u>156,518</u>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

11. INVESTMENT INCOME

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Interest income	7,920	7,463
Rental income	24,500	38,800
	<u>32,420</u>	<u>46,263</u>

12. OTHER INCOME

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Special Employment Credit	45,246	9,601
Others	2,200	-
	<u>47,446</u>	<u>9,601</u>

13. COST OF GENERATING VOLUNTARY INCOME

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Cost of fund raising	125,684	63,123

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

14. COST OF CHARITABLE ACTIVITIES

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Medicine and medical supplies	261,717	101,335

15. GOVERNANCE COSTS

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Accountancy fee	6,000	8,400
Audit fee	3,900	2,700
	9,900	11,100

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

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16. OTHER EXPENSES

Other expenses include the following:

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Advertisement	23,002	2,130
Bank charges	464	297
Cleaning expenses	4,665	-
Depreciation of property, plant and equipment	198,236	13,061
Donation	68,867	57,099
General expenses	4,959	124
Import charges	3,308	263
Insurance	4,980	3,374
Legal fee	2,817	-
Maintenance charges	11,164	3,643
Media	19,135	-
Medical records, receipts and stationery	8,255	5,592
Memotoes for donors	4,810	120
Other equipment expensed off	1,347	-
Office supplies	17,108	5,982
Operating lease expense	3,431	-
Photo frames for photo gallery (all outlets)	8,521	-
Property maintenance fee	3,630	-
Property tax	4,260	3,240
Property, plant and equipment expensed off	10,169	-
Signages for all outlets	6,339	-
Staff training	5,955	4,376
Start-up costs of new outlet	13,457	-
Telephone and internet charges	5,889	1,274
Tools and accessories	5,085	2,900
Transport charges	6,608	1,333
Utilities charges	9,946	5,017
	<hr/> 456,407	<hr/> 109,825
Employee benefits expense		
- salaries, bonuses and related costs	602,908	203,056
- employer's contribution to Central Provident Fund	64,340	31,324
	<hr/> 667,248	<hr/> 234,380
	<hr/> <hr/> 1,123,655	<hr/> <hr/> 344,205

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

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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 are as follows:

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Short-term benefits paid to a key management personnel		
- salaries, bonuses and related costs	96,800	-
- employer's contributions to Central Provident Fund	7,581	-
	<u>104,381</u>	<u>-</u>

19. COMMITMENTS

(a) Capital commitments

	2014 \$	2013 \$
Capital expenditure for the purchase of property, plant and equipment	<u>47,925</u>	<u>-</u>

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NOTES TO THE FINANCIAL STATEMENTS

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(b) Operating lease commitments - as lessor

	Period from 1.10.2013 to 31.12.2014 \$	Year ended 30.9.2013 \$
Operating lease income for the financial period/year	24,500	38,800

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

	2014 \$	2013 \$
Within one year	6,000	17,700
Between one and five years	-	9,000
	<u>6,000</u>	<u>26,700</u>

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:

	2014 \$	2013 \$
Financial assets		
Loans and receivables	4,067,507	1,485,432
	<u>4,067,507</u>	<u>1,485,432</u>
Financial liabilities		
Financial liabilities at amortised cost	8,800	10,035
	<u>8,800</u>	<u>10,035</u>

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NOTES TO THE FINANCIAL STATEMENTS

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(b) Financial risk management

The main risks arising from the Institution's normal course of business 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 in 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

The Institution's exposure to market rate risks for changes in interest rates relates primarily to its fixed deposits with bank. The Institution has no interest-bearing liabilities.

In respect of interest-earning financial assets, the following table indicates their effective interest rates at the end of the reporting period and the period in which they repriced:

	Effective interest rate %	\$
2014		
Fixed deposits	0.35 to 1.15	1,050,820
		<hr/> <hr/>
2013		
Fixed deposits	0.35 - 1.08	1,043,829
		<hr/> <hr/>

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

31 December 2014

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of reporting period and on the assumption that the change took place at the beginning of the financial year and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 1% higher or lower with all other variables being held constant, the Institution's net income for the year would have increased/decreased by approximately \$10,508 (2013 : \$10,438).

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 2014 and 2013 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 operating expenditure. The Institution's approach to funds management remains unchanged since the previous financial year.

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 mainly short-term in nature.

SIAN CHAY MEDICAL INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS

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22. CHANGE OF FINANCIAL YEAR END AND COMPARATIVE FIGURES

During the financial period, the Institution changed its financial year end from 30 September to 31 December. Consequently, the current set of financial statements covered the 15-months period from 10 October 2013 to 31 December 2014. The comparative figures are for the financial year ended 30 September 2013 and are therefore not comparable. Certain reclassifications have been made to the prior year's financial statements to enhance comparability with current financial period's financial statements. The reclassifications included the following:

	As previously reported \$	Reclassifications \$	As restated \$
Statement of income and expenditure			
Cost of medicine consumed	99,077	(99,077)	-
Other charitable expenses	420,686	(420,686)	-
Cost of generating voluntary income	-	63,123	63,123
Cost of charitable activities	-	101,335	101,335
Governance costs	-	11,100	11,100
Other expenses	-	344,205	344,205

A balance sheet as at 1 January 2013 is not presented as the reclassifications do not impact items on the balance sheet.

23. 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 financial period ended 31 December 2014 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.