SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

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SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

REGISTERED OFFICE

2 College Road
#02-00 Alumni Medical Centre
Singapore 169850

AUDITOR

Kreston David Yeung PAC

INDEX Page

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENT BY THE ASSOCIATION'S COUNCIL MEMBERS

In the opinion of the association's council members:-

i) the accompanying statements of financial position, statements of profit or loss and other comprehensive income and statements of changes in funds of the group and the association and consolidated statement of cash flows of the group together with the notes thereto, are drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the association as at 31 December 2017 and the financial performance and changes in funds of the group and of the association and cash flows of the group for the year ended on that date; and

ii) at the date of this statement, there are reasonable grounds to believe that the association will be able to pay its debts as and when they fall due.

On behalf of the council members,

DR WONG TIEN HUA
President

DR LIM KHENG CHOON
Honorary Secretary

DR BENNY LOO KAI GUO
Honorary Treasurer

Singapore, 26 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association (the "association") and its subsidiary (collectively, the "group"), which comprise the statements of financial position of the group and the association as at 31 December 2017, the statements of changes in funds and statements of profit or loss and other comprehensive income of the group and the association and consolidated statement of cash flows of the group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group, the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in funds of the association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the association as at 31 December 2017 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the group and financial performance and changes in funds of the association for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The association's council members are responsible for the other information. The other information comprises the Statement by the Association's Council Members (set out on page 1) and the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

The association's council members' responsibilities include overseeing the association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the association's council members.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of the association's council members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the association to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the association's council members regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the association have been properly kept in accordance with those Regulations.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 26 March 2018

KRESTON DAVID YEUNG PAC (UEN: 200717891W)
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SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2017

		Group		Association	
		2017	2016	2017	2016
ASSETS	Note	S$	S$	S$	S$
Non-current assets					
Property, plant and equipment	3	103,530	6,708	96,144	6,505
Investment in subsidiary	4	-	-	2,314,000	2,314,000
Total non-current assets		103,530	6,708	2,410,144	2,320,505
Current assets					
Financial assets at fair value through profit or loss	5	4,844,839	4,456,355	-	-
Trade receivables	6	351,342	397,888	400,275	460,180
Subscription in arrears	7	114,235	90,861	114,235	90,861
Other receivables, deposits and prepayments	8	111,192	99,069	105,684	95,723
Cash and bank balances	9	2,825,208	2,971,230	2,425,574	2,420,581
Total current assets		8,246,816	8,015,403	3,045,768	3,067,345
Total assets		8,350,346	8,022,111	5,455,912	5,387,850
FUNDS AND LIABILITIES					
Accumulated fund		7,770,603	7,456,009	4,888,250	4,841,633
Deferred capital grant	10	19,877	-	19,877	-
Total funds		7,790,480	7,456,009	4,908,127	4,841,633
Current liabilities					
Other payables and accruals	11	552,235	554,028	547,785	541,078
Provision of taxation		7,631	12,074	-	5,139
Total current liabilities		559,866	566,102	547,785	546,217
Total funds and liabilities		8,350,346	8,022,111	5,455,912	5,387,850

The notes set out on pages 11 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2017

		Group		Association	
		2017	2016	2017	2016
	Note	S$	S$	S$	S$
Income					
AST course fees		261,800	192,900	261,800	192,900
Bad debts recovered - subscriptions		600	2,380	600	2,380
Centre for ME and professionalism income		123,460	85,757	123,460	85,757
Commission income		666,101	1,224,834	651,500	1,205,240
CPR course fees		14,974	12,248	-	-
Fair value gain on financial assets at fair value through profit or loss		394,072	221,311	-	-
Healthcare course fees		33,188	55,131	-	-
Interest income on bank deposits		27,779	17,407	23,816	12,521
Management fee income		33,240	26,400	80,062	67,855
Medical Practice Management income		10,374	18,523	10,374	18,523
Medik Awas income		4,828	5,860	4,828	5,860
Members' welfare event income		52,246	64,243	52,246	64,243
MPS workshop income		19,938	25,200	19,938	25,200
Rebate income		139,983	150,879	139,983	150,879
SMA Dinner		30,092	25,986	30,092	25,986
SMA Football		4,750	5,538	4,750	5,538
SMA Golf		36,170	26,750	36,170	26,750
SMA Medical convention		133,085	20,639	133,085	20,639
SMA Newsletter publication		345,877	372,130	345,877	372,130
SMA talks and seminars		935	3,271	935	3,271
SMJ publication		49,339	81,185	49,339	81,185
Subscriptions		747,878	722,035	747,878	722,035
Sundry income		36,850	76,427	36,771	76,427
		3,167,559	3,437,034	2,753,504	3,165,319
Expenditure		(2,842,902)	(2,881,197)	(2,702,893)	(2,807,356)
Surplus before taxation		324,657	555,837	50,611	357,963
Taxation	12	(10,063)	(11,706)	(3,994)	(5,139)
Net suplus and total comprehensive income for the year		314,594	544,131	46,617	352,824

The notes set out on pages 11 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF EXPENDITURE
For the year ended 31 December 2017

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
AST course expenses	126,618	116,195	126,618	116,195
Auditors' remuneration	10,750	10,330	7,750	7,330
Bad debts written off - trade	-	9,095	-	9,095
Bank charges	4,700	14,074	4,618	13,992
Centre for ME and professionalism expenses	41,078	57,084	41,078	57,084
CPF and SDL	198,646	215,150	198,646	215,130
CPR course expenses	10,102	10,035	-	-
Depreciation of plant and equipment	68,870	8,022	65,178	7,716
Donation	79,500	70,000	1,500	50,000
Entertainment	4,700	5,263	4,700	5,263
General expenses	1,349	1,587	949	1,127
Healthcare course expenses	40,623	35,371	-	-
Insurance	21,474	18,804	21,474	18,804
Inter-professional games	4,848	9,898	4,848	9,898
Jobs credit and other schemes	(21,030)	(16,160)	(21,030)	(16,160)
Masks, gloves and gowns	2,400	2,400	-	-
Medical expenses	7,620	7,468	7,620	7,468
Medical Practice Management expenses	16,349	21,495	16,349	21,495
Medik Awas expenses	820	1,443	820	1,443
Meeting expenses	26,797	2,816	26,797	2,816
Member's welfare	99,353	113,059	99,353	113,059
MPS workshop expenses	-	63	-	63
Net allowance for credit losses	33,300	41,770	33,300	41,770
Newspapers & periodicals	728	944	728	944
Office refreshments	1,499	2,117	1,499	2,117
Postage and couriers	15,525	22,769	15,368	22,615
Printing and stationery	16,151	22,520	15,996	22,365
Professional fee	-	44,100	-	44,100
Property tax	9,770	9,195	9,770	9,195
Rental of equipment	10,680	12,812	10,680	12,812
Repairs and maintenance	139,534	147,014	139,534	147,014
Balance carried forward	972,754	1,016,733	834,143	944,750

The notes set out on pages 11 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF EXPENDITURE
For the year ended 31 December 2017

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
Balance brought forward	972,754	1,016,733	834,143	944,750
Repair and maintenance	-	478	-	-
SMA Dinner expenses	49,368	46,880	49,368	46,880
SMA Football expenses	5,593	6,573	5,593	6,573
SMA Golf expenses	36,966	29,874	36,966	29,874
SMA Medical convention expenses	129,290	-	129,290	-
SMA Newsletter expenses	170,427	168,419	170,427	168,419
SMA talks and seminar expenses	758	1,048	758	1,048
SMJ publication expenses	60,049	114,220	60,049	114,220
Secretarial fees	700	700	-	-
Staff commission	6,952	1,321	6,952	1,321
Staff salaries and bonuses	1,295,918	1,392,075	1,295,918	1,392,095
Staff training	23,123	8,519	23,123	8,519
Staff vacation pay	7,334	(1,830)	7,334	(1,830)
Staff welfare	8,421	9,484	8,421	9,484
Subscriptions	2,236	2,354	2,236	2,354
Tax fee	700	700	-	-
Telephone and fax	7,870	12,283	7,870	12,283
Transportation	7,185	9,165	7,186	9,165
Travel	38,935	45,141	38,935	45,141
Utilities	18,323	17,060	18,324	17,060
Total expenditure	2,842,902	2,881,197	2,702,893	2,807,356

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2017

	Note	Accumulated fund S$	Deferred capital grant S$	Total S$
GROUP				
Balance as at 01.01.2016		6,911,878	-	6,911,878
Total comprehensive income for the year		544,131	-	544,131
Balance as at 31.12.2016 and 01.01.2017		7,456,009	-	7,456,009
Addition (net) for the year	10	-	19,877	19,877
Total comprehensive income for the year		314,594	-	314,594
Balance as at 31.12.2017		7,770,603	19,877	7,790,480
ASSOCIATION				
Balance as at 01.01.2016		4,488,809	-	4,488,809
Total comprehensive income for the year		352,824	-	352,824
Balance as at 31.12.2016 and 01.01.2017		4,841,633	-	4,841,633
Addition (net) for the year	10	-	19,877	19,877
Total comprehensive income for the year		46,617	-	46,617
Balance as at 31.12.2017		4,888,250	19,877	4,908,127

The notes set out on pages 11 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	Note	2017 S$	2016 S$
Cash flows from operating activities			
Surplus before taxation		324,657	555,837
Adjustments for:-			
Depreciation of plant and equipment		68,870	8,022
Bad debt written off		-	9,095
Allowance for credit losses		33,300	41,770
Fair value adjustment		(388,484)	(218,680)
Interest income		(27,779)	(17,407)
Amortisation of deferred capital grant		(9,938)	-
Operating cash flow before working capital changes:-		626	378,637
Decrease in trade and other receivables		(22,137)	(40,891)
Increase in other payables and accruals		(1,793)	51,774
Increase in deferred capital grant		29,815	-
Cash generated from operations		6,511	389,520
Income tax paid		(14,506)	(921)
Net cash (used in)/ generated from operating activities		(7,995)	388,599
Cash flows from investing activities			
Purchase of plant and equipment		(165,692)	(12,100)
Interest received		27,665	17,634
Fixed deposit pledged		(166)	-
Net cash (used in)/generated from investing activities		(138,193)	5,534
Net (decrease)/increase in cash and cash equivalents		(146,188)	394,133
Cash and cash equivalents at beginning of year		2,923,578	2,529,445
Cash and cash equivalents at end of year	9	2,777,390	2,923,578

The notes set out on pages 11 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

Singapore Medical Association (the "association") is registered under the Societies Act in the Republic of Singapore. The registered office and principal place of business of the association is located at 2 College Road, #02-00 Alumni Medical Centre, Singapore 169850.

The principal activities of the association are to promote the medical and allied sciences in the Republic of Singapore and also to promote social, culture and professional activities among members of the association. The principal activities of its subsidiary is stated in Note 4 to the financial statements.

The financial statements for the year ended 31 December 2017 are authorised for issue by the Council of the association on 26 March 2018.

The financial statements are presented in Singapore dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with Singapore Financial Reporting Standards ("FRS").

In the current financial year, the group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2017. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the group's accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on the management's best knowledge of current events and actions, actual result may differ from those estimates.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgement are described below:-

Critical assumptions used and accounting estimates in applying accounting policies

Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the group provision for income tax. The group recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of plant and equipment

As described in Note 2(d), the group reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the group intends to derive future economic benefits from the use of the group's plant and equipment.

The carrying amounts of plant and equipment at the end of the reporting period are disclosed in Note 3 to the financial statements.

Critical judgements made in applying accounting policies

In the process of applying the accounting policies, management had made the following judgements that have the most significant effect on the amounts recognised in the financial statements.

Impairment of property, plant and equipment

The group assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Allowance account for credit losses

Allowance account for credit losses of the group is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of these receivables and ongoing dealings with them. If the financial conditions of these receivables of the group were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Impairment of investment in subsidiary

When an investee is in net equity deficit and has suffered operating losses, a test is made whether the investment in the investee has suffered any impairment, in accordance with the stated accounting policy. This determination requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee.

c) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the association and the entity controlled by the association (its subsidiary) as at the end of reporting period. The financial statements of the subsidiary used in the preparation of the consolidated financial statements are prepared for the same reporting date as the association. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Subsidiary is consolidated from the date of acquisition, being the date on which the group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the group loses control over a subsidiary, it:-

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation (Continued)

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

d) Plant and Equipment and Depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs over the estimated useful lives of the plant and equipment as follows: -

Computers	1 year
Computer software	3 years
Air conditioners	3 years
Equipment, furniture and fittings	3 - 10 years
Renovations	5 years

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

The residual values, useful lives and depreciation method are reviewed at each financial year-end 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 plant and equipment.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Investment in Subsidiary**

A subsidiary is an investee that is controlled by the group. The group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the association's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

f) **Cash and Cash Equivalents**

Cash and cash equivalents comprised cash in hand and at banks and unpledged fixed deposits which form part of the cash management that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

g) **Financial Assets**

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the group becomes a party to the contractual provisions of the financial instrument. The group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends of their classification as follows:-

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the company. Derivatives, including separated embedded derivatives are also classified as held for trading.

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) **Financial Assets** (Continued)

Subsequent measurement (Continued)

Financial assets at fair value through profit or loss (Continued)

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

h) **Impairment of Financial Assets**

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group 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 group determines that no objective evidence of impairment exists for an individually assessed financial assets, 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Impairment of Financial Assets (Continued)

Financial assets carried at amortised cost (Continued)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has 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 is reduced 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 incurred, the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

i) Impairment of Non-Financial Assets

The group assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) **Impairment of Non-Financial Assets** (Continued)

Impairment losses are recognised in the profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

j) **Financial Liabilities**

Initial recognition and measurement

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

Financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

l) Contingencies

A contingent liability is:-

a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or

b) a present obligation that arises from past events but is not recognised because:

    i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

    ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group.

Contingent liabilities and assets are not recognised on the statement of financial position of the group.

m) Currency Translations

Functional and presentation currency

Items included in the financial statements of each entity in the group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Singapore dollar, which is the association's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Currency Translations (Continued)

Transactions and balances

Transactions in a currency other than Singapore dollar (“foreign currency”) are translated into Singapore dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to the profit or loss.

n) Leases

Leases where the lessor effectively retains substantially all risks and benefits of ownership of the leased items are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term.

o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

Course fee income is recognised as revenue over the duration of the course.

Commission income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest method.

Members’ annual subscription fee, rebates, and miscellaneous income are recognised when due.

Grant income is recognised when there is reasonable assurance that the conditions attaching to it will be complied with and the grant will be received.

p) Government Grants

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. The deferred grant is recognised in the profit or loss over the period necessary to match the depreciation of the assets purchased with the related grant. Grants for operating expenses is recognised in the profit or loss over the period necessary to match them on a systematic basis to the costs that it was intended to compensate.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) Income Taxes

a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current taxes are recognised in profit or loss except to the extent that the tax relates to item recognised outside profit or loss, either in other comprehensive income or directly in equity.

b) Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for temporary differences.

Deferred income tax assets are recognised for deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the end of the reporting period.

Deferred income tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) **Income Taxes** (Continued)

b) **Deferred tax** (Continued)

Deferred income tax assets and deferred income tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred income taxes relate to the same taxable entity and the same taxation authority.

r) **Key Management Personnel**

Key management personnel of the group are those having authority and responsibility for planning, directing and controlling the activities of the group. The Executive Council Members and directors are considered as key management personnel.

s) **Employee Benefits**

As required by law, the group makes contributions to the state pension scheme, the Central Provident Fund (CPF). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

t) **Employee Leave Entitlement**

Employee entitlement to annual leave is recognised when it accrues to employees. A provision is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

3. PLANT AND EQUIPMENT

Group	Computers	Computer software	Air Conditioners	Equipment, furniture and fittings	Renovations	Total
			S$	S$	S$	S$
Cost						
At 01.01.2016	142,330	-	46,947	167,476	122,477	479,230
Additions	2,300	-	-	9,800	-	12,100
Disposal	(9,622)	-	-	-	-	(9,622)
At 31.12.2016/01.01.2017	135,008	-	46,947	177,276	122,477	481,708
Additions	15,461	144,251	-	5,980	-	165,692
Disposal	(4,727)	-	-	-	-	(4,727)
Reclassification	(13,900)	13,900	-	-	-	-
At 31.12.2017	131,842	158,151	46,947	183,256	122,477	642,673
Accumulated Depreciation						
At 01.01.2016	142,330	-	46,947	164,846	122,477	476,600
Charge for the year	2,300	-	-	5,722	-	8,022
Disposal	(9,622)	-	-	-		(9,622)
At 31.12.2016/01.01.2017	135,008	-	46,947	170,568	122,477	475,000
Charge for the year	15,461	48,082	-	5,327	-	68,870
Disposal	(4,727)	-	-	-	-	(4,727)
Reclassification	(13,900)	13,900	-	-	-	-
At 31.12.2017	131,842	61,982	46,947	175,895	122,477	539,143
Net Book Value						
At 31.12.2017	-	96,169	-	7,361	-	103,530
At 31.12.2016	-	-	-	6,708	-	6,708

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Association	Computers	Computer Software	Air Conditioners	Equipment, furniture and fittings	Renovations	Total
			S$	S$	S$	S$
Cost						
At 01.01.2016	142,330	-	45,247	143,723	122,477	453,777
Additions	2,300	-	-	9,800	-	12,100
Disposal	(9,622)	-	-	-	-	(9,622)
At 31.12.2016/01.01.2017	135,008	-	45,247	153,523	122,477	456,255
Additions	15,461	133,376	-	5,980	-	154,817
Disposal	(4,727)	-	-	-	-	(4,727)
Reclassification	(13,900)	13,900	-	-	-	-
At 31.12.2017	131,842	147,276	45,247	159,503	122,477	606,345
Accumulated Depreciation						
At 01.01.2016	142,330	-	45,247	141,602	122,477	451,656
Charge for the year	2,300	-	-	5,416	-	7,716
Disposal	(9,622)	-	-	-	-	(9,622)
At 31.12.2016/01.01.2017	135,008	-	45,247	147,018	122,477	449,750
Charge for the year	15,461	44,458	-	5,259	-	65,178
Disposal	(4,727)	-	-	-	-	(4,727)
Reclassification	(13,900)	13,900	-	-	-	-
At 31.12.2017	131,842	58,358	45,247	152,277	122,477	510,201
Net Book Value						
At 31.12.2017	-	88,918	-	7,226	-	96,144
At 31.12.2016	-	-	-	6,505	-	6,505

4. INVESTMENT IN SUBSIDIARY

	Association 2017	Association 2016
	S$	S$
Unquoted equity shares, at cost	2,314,000	2,314,000

The association regards Singapore Medical Association Pte Ltd, a company registered in the Republic of Singapore, as its wholly owned subsidiary. The subsidiary's shares are registered and held in trust by three trustees, namely Professor Low Cheng Hock, Dr Tan Cheng Bock @ Adrian Tan and Professor Chee Yam Cheng, who were appointed by Singapore Medical Association.

The principal activities of the subsidiary are those of commission agents, course organisers and investment holding.

Subsequent to the end of reporting period, the association increased its investment from S$2,314,000 to S$3,314,000.

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group
	2017	2016
	S$	S$
Quoted equity securities:-		
Balance at beginning of year	4,456,355	4,237,675
Fair value adjustments	388,484	218,680
Balance at end of year	4,844,839	4,456,355

Financial assets at fair value through profit or loss are denominated in following currencies:-

		Group
	2017	2016
	S$	S$
Singapore dollar	1,754,377	2,887,579
United States dollar	1,978,633	1,034,122
British Pound	304,211	173,188
Euro dollar	518,722	240,871
Swedish krona	22,004	-
Swiss Franc	84,300	29,650
Japanese Yen	171,253	90,945
Canadian dollar	11,339	-
	4,844,839	4,456,355

6. TRADE RECEIVABLES

		Group		Association
	2017	2016	2017	2016
	S$	S$	S$	S$
Trade receivables				
- Related party	35,567	-	35,567	-
- Subsidiary	-	-	48,933	63,132
- Third parties	315,775	397,888	315,775	397,048
	351,342	397,888	400,275	460,180

6. TRADE RECEIVABLES (Continued)

Trade receivables are non-interest bearing and are generally on 30-60 days credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:-

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
Not past due	255,123	267,460	304,056	293,101
Past due 1 - 3 months	65,517	49,684	65,517	86,335
Past due 3 - 6 months	3,790	64,096	3,790	64,096
Over 6 months	26,912	16,648	26,912	16,648
	351,342	397,888	400,275	460,180

7. SUBCRIPTIONS IN ARREARS

	Group and Association	
	2017	2016
	S$	S$
Subscriptions in arrears	149,834	135,426
Less: Allowance for credit losses	(35,599)	(44,565)
	114,235	90,861
Movements of allowance for credit losses:-		
Balance at beginning of year	44,565	40,284
Addition during the year	35,599	44,565
Allowance written off	(44,565)	(40,284)
Balance at end of year	35,599	44,565

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

		Group		Association
	2017	2016	2017	2016
	S$	S$	S$	S$
Other receivable	12,972	28,869	8,844	26,789
Fixed deposit interest receivable	820	706	-	-
Deposits	11,933	7,743	11,933	7,743
Prepayments	17,667	23,955	17,107	23,395
Advance payment to supplier	-	37,796	-	37,796
Grant receivable	67,800	-	67,800	-
	111,192	99,069	105,684	95,723

9. CASH AND BANK BALANCES

Cash and bank balances	1,320,212	882,368	1,237,118	644,410
Fixed deposits	1,504,996	2,088,862	1,188,456	1,776,171
	2,825,208	2,971,230	2,425,574	2,420,581
Less: Fixed deposit pledged	(47,818)	(47,652)	(47,818)	(47,652)
Cash and cash equivalents	2,777,390	2,923,578	2,377,756	2,372,929

Fixed deposit is pledged as security to the bank for bankers guarantee on corporate credit card.

The fixed deposits bear interest rate at 0.25% to 1.38% (2016: 0.25% to 1.6%) per annum and mature within 90 days to 365 days (2016: 90 days to 366 days).

10. DEFERRED CAPITAL GRANT

		Group		Association
	2017	2016	2017	2016
	S$	S$	S$	S$
Balance at beginning of year	-	-	-	-
Additions during the year	29,815	-	29,815	-
Less: Amortisation for the year	(9,938)	-	(9,938)	-
Balance at end of year	19,877	-	19,877	-

The deferred capital grant is related to grant provided by SPRING Singapore for certain plant and equipment of the Association. The deferred capital grant is amortised over 3 years to compensate depreciation of plant and equipment in statement of profit or loss and other comprehensive income.

11. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
Other payables	173,206	31,819	173,206	31,819
Accruals	63,320	144,865	58,920	140,465
Deferred income	315,709	377,344	315,659	368,794
	552,235	554,028	547,785	541,078

12. TAXATION

Income tax expense:-				
- Current year	7,631	12,074	-	5,139
- Over provision in prior year	-	(368)	-	-
- Under provision in prior year	2,432	-	3,994	-
Tax expense	10,063	11,706	3,994	5,139

The tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to surplus before taxation due to the following factors:-

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
Surplus before taxation	324,657	555,837	50,611	357,963
Tax expenses calculated at a tax rate of 17%	55,192	94,492	8,604	60,854
Expenses not tax deductible	13,260	12,163	-	8,763
Enhanced tax allowances	(57,030)	(53,273)	(18,333)	(44,773)
Under/(Over) provision in prior years	2,431	(368)	3,994	-
Revenue not taxable	-	-		-
Singapore statutory stepped income exemption	(10,390)	(25,848)	-	(11,128)
Tax rebate	(1,909)	(12,074)	-	(5,139)
Unrecognised deferred tax assets	8,509	(3,438)	9,729	(3,438)
Other	-	52	-	-
Tax expense	10,063	11,706	3,994	5,139

As at the end of the reporting period, the group had unutilised capital allowances approximately S$7,500 (2016: S$NIL) available to be carried forward to offset against future taxable profits of the group subject to agreement with the Comptroller of Income Tax and compliance with the relevant provision of the Income Tax Act. No deferred tax asset is recognised for the amounts due to uncertainty of its recovery.

13. OPERATING LEASE COMMITMENTS

The group leases equipment under non-cancellable operating lease agreement.

The future minimum lease payments under the non-cancellable operating lease as at the end of the reporting period are as follows:-

	Group and Association	
	2017	2016
	S$	S$
Within one year	10,680	10,680
Within two to five years	13,350	24,030
	24,030	34,710

14. RELATED PARTY TRANSACTIONS

The following transactions took place between the parties at mutually agreed terms during the financial year:-

	Group		Association	
	2017	2016	2017	2016
	S$	S$	S$	S$
Donation expense	78,000	50,000	-	50,000
Management fee income	33,240	26,400	80,062	67,855

None of the key management personnel received any emoluments in respect of their services for both of the financial years.

15. CAPITAL MANAGEMENT

The association regards its surplus as capital funds. The association's objectives when managing the capital funds are to safeguard the association's ability to continue as a going concern and to ensure that it has sufficient working capital to fund its activities and meet its obligations.

The group's overall strategy remains unchanged for both of the reporting periods.

The group has no externally imposed capital requirements.

16. FINANCIAL RISK MANAGEMENT

The group does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the group's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

16. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk

The group's exposure to credit risk arises from the failure of a customer or counterparty to settle its financial and contractual obligation to the group, as and when they fall due. The group manages this risk by monitoring credit ratings and limiting the aggregate financial exposure to any individual counterparty.

The maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the statement of financial position.

As at the end of reporting period, there is no significant concentration of credit risk for the group.

The group places its cash with banks and financial institutions which are regulated.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 6 to the financial statements.

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are due from creditworthy debtors. Cash and bank balances that are neither past due nor impaired are placed with reputable banks with high credit ratings.

Price Risk

The group is exposed to equity securities price risk arising from the investments held by the group which are classified in the statement of financial position as financial assets at fair value through profit or loss. To manage the price risk, the group through its stockbrokers monitors share price on regular basis. The sensitivity analysis for changes in market price is not disclosed as the effect on the profit or loss is considered not significant.

Liquidity Risk

The group monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the group's operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the group's financial liabilities is within the next 12 months after the end of the reporting period.

Interest Rate Risk

The group has no significant exposure to interest rate risk. As such, fluctuations in market interest rates do not have any significant effect on the group's cash flows.

17. FAIR VALUE

Fair value of financial instruments carried at fair value

The group classifies fair value measurement using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchies have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – Input other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (i.e as prices) or indirectly (i.e derived from prices), and
- Level 3 – Input for the assets or liability that is not based on observable market data (unobservable inputs)

The quoted securities instruments at fair value of S$4,844,839 (2016: S$4,456,355) is based on quoted price which is included in Level 1.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets (other than investment securities) and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

18. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

		Group		Association
	2017	2016	2017	2016
	S$	S$	S$	S$
Financial assets				
Financial assets at fair value through profit or loss:-				
Quoted equity securities	4,844,839	4,456,355	-	-
Loans and receivables:-				
Trade receivables	351,342	397,888	400,275	460,180
Subscription in arrears	114,235	90,861	114,235	90,861
Other receivables and deposits	93,525	37,318	88,577	34,532
Cash and cash equivalents	2,825,208	2,971,230	2,425,574	2,420,581
Total financial assets	8,229,149	7,953,652	3,028,661	3,006,154
Financial liabilities				
Amortised cost:-				
Other payables and accruals	236,526	176,684	232,126	172,284
Total financial liabilities	236,526	176,684	232,126	172,284

19. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2018. Except for FRS 109, the association's council members expect that the adoption of the other standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 are described below.

<u>FRS 109 *Financial Instruments*</u>

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the group to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The group is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)
(Incorporated in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

AN/LAU/TZC

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of the company for the year ended 31 December 2017.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2017, and the financial performance, changes in equity and cash flows of the company for the year ended on that date; and

ii) at the date of this statement there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

2. DIRECTORS

The directors in office at the date of this statement are:-

CHIN JING JIH
CHONG YEH WOEI
LEE YIK VOON
TAN SZE WEE
WOON YNG YNG, BERTHA
WONG TIEN HUA
LIM KHENG CHOON (Appointed on 1 May 2017)
LOO KAI GUO, BENNY (Appointed on 1 May 2017)

3. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

During and at the end of the financial year, the company was not a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the company or any other body corporate.

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

According to the register required to be kept under Section 164 of the Singapore Companies Act, Cap. 50, none of the directors who held office at the end of the financial year had interest in the shares of the company.

5. SHARE OPTIONS

During the financial year, there were:

(a) no options granted by the company to any person to take up unissued shares of the company; and

(b) no shares issued by virtue of the exercise of options to take up unissued shares of the company.

At the end of the financial year, there were no unissued shares of the company under option.

6. AUDITOR

The auditor, Kreston David Yeung PAC, has expressed its willingness to accept re-appointment.

On behalf of the Board,

TAN SZE WEE	**LEE YIK VOON**
Director	**Director**

Singapore, 26 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Pte Ltd (the "company"), which comprise the statement of financial position of the company as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the company in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement [set out on pages 1 to 2].

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N) (Continued)

Responsibilities of Management and Directors for the Financial Statements

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

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

The directors' responsibilities include overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

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

INDEPENDENT AUDITOR'S REPORT TO THE MEMBER OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N) (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 26 March 2018

KRESTON DAVID YEUNG PAC (UEN: 200717891W)
A public accounting corporation incorporated with limited liability and a member of **Kreston International**
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 S$	2016 S$
ASSETS			
Non-current asset			
Plant and equipment	3	7,386	203
Total non-current asset		7,386	203
Current assets			
Financial assets at fair value through profit or loss	4	4,844,839	4,456,355
Trade receivables	5	-	840
Other receivables and prepayment	6	5,507	3,346
Cash and cash equivalents	7	350,701	487,517
Total current assets		5,201,047	4,948,058
Total assets		5,208,433	4,948,261
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	8	2,314,000	2,314,000
Accumulated profits		2,882,352	2,614,376
Total equity		5,196,352	4,928,376
Current liabilities			
Other payables and accruals	9	4,450	12,950
Provision for taxation		7,631	6,935
Total current liabilities		12,081	19,885
Total equity and liabilities		5,208,433	4,948,261

The notes set out on pages 10 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2017

	Note	2017 S$	2016 S$
Revenue	10	62,763	86,973
Other revenue	11	398,114	226,197
Operating expenses		(186,832)	(115,296)
Profit before taxation	12	274,045	197,874
Taxation	13	(6,069)	(6,567)
Net profit and total comprehensive income for the year		267,976	191,307

The notes set out on pages 10 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2017

	Share Capital S$	Accumulated Profits S$	Total Equity S$
Balance as at 01.01.2016	2,314,000	2,423,069	4,737,069
Total comprehensive income for the year	-	191,307	191,307
Balance as at 31.12.2016/01.01.2017	2,314,000	2,614,376	4,928,376
Total comprehensive income for the year	-	267,976	267,976
Balance as at 31.12.2017	2,314,000	2,882,352	5,196,352

The notes set out on pages 10 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017	2016
	S$	S$
Cash flows from operating activities		
Profit before taxation	274,045	197,874
Adjustments for:-		
Depreciation of plant and equipment	3,693	306
Fair value adjustment	(388,484)	(218,680)
Interest income	(3,963)	(4,886)
Operating cash flows before changes in working capital	(114,709)	(25,386)
Decrease in trade and other receivables	(1,207)	777
Decrease in other payables and accruals	(8,500)	(120)
Cash used in operations	(124,416)	(24,729)
Income tax paid	(5,373)	(921)
Net cash used in operating activities	(129,789)	(25,650)
Cash flows from investing activities		
Purchase of property, plant and equipment	(10,876)	-
Interest received	3,849	5,113
Net cash (used in)/generated from investing activities	(7,027)	5,113
Net decrease in cash and cash equivalents	(136,816)	(20,537)
Cash and cash equivalents at beginning of year	487,517	508,054
Cash and cash equivalents at end of year	350,701	487,517

The notes set out on pages 10 to 25 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

The company is a limited liability company domiciled and incorporated in the Republic of Singapore. The registered office and principal place of business of the company is located at 2 College Road, #02-00 Alumni Medical Centre, Singapore 169850.

The company regards Singapore Medical Association, an association registered in the Republic of Singapore, as its immediate and ultimate holding entity. The company's shares are registered and held in trust by three trustees, namely Professor Low Cheng Hock, Dr Tan Cheng Bock @ Adrian Tan and Professor Chee Yam Cheng, who were appointed by Singapore Medical Association.

The principal activities of the company are those of commission agents, course organisers and investment holding.

The financial statements of the company for the year ended 31 December 2017 are authorised for issue in accordance with a resolution of the directors on 26 March 2018.

The financial statements of the company are presented in Singapore dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the company have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards ("FRS").

In the current financial year, the company has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2017. The adoption of these new/revised FRSs and INT FRSs have no material effect on the company's financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the company's accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and areas involving a high degree of judgements are described below.

Critical assumptions and accounting estimates in applying accounting policies

Income tax

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the company provision for income tax. The company recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of plant and equipment

As described in Note 2(c), the company reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management's estimation of the periods that the company intents to derive future economic benefits from the use of the company's plant and equipment.

The carrying amount of plant and equipment at the end of the reporting period are disclosed in Note 3 to the financial statements.

Critical judgements made in applying accounting policies

In the process of applying the entity's accounting policies, management had made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

Impairment of plant and equipment

The company assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

Allowance for credit losses

Allowance for credit losses of the company is based on an evaluation of the collectability of receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including the current creditworthiness, past collection history of these receivables and ongoing dealings with them. If the financial conditions of these receivables of the company were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) **Plant and Equipment**

All items of plant and equipment are initially recorded at cost. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the cost of the plant and equipment over the estimated useful lives as follows: -

Air conditioners	3 years
Computer software	3 years
Equipment, furniture and fittings	3 to 10 years

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

The residual values, useful lives and depreciation method are reviewed at each financial year-end and adjusted prospectively, if appropriate.

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

d) **Financial Assets**

Initial recognition and measurement

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

When financial assets are recognised initially, they are measures at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends of their classification as follows:-

<u>Financial assets at fair value through profit or loss</u>

Financial assets at fair value through profit or loss include financial assets held for trading. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the company. Derivatives, including separated embedded derivatives are also classified as held for trading.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

Subsequent measurement

Financial assets at fair value through profit or loss

Subsequent to initial recognition, financial assets at fair value through profit or loss are measured at fair value. Any gains or losses arising from changes in fair value of the financial assets are recognised in profit or loss. Net gains or net losses on financial assets at fair value through profit or loss include exchange differences, interest and dividend income.

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not measured at fair value with changes in fair value recognised in profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required.

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. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e the date that the company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the market place concerned.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Impairment of Financial Assets**

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company 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 company determines that no objective evidence of impairment exists for an individually assessed financial assets, 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.

If there is objective evidence that an impairment loss on a financial asset carried at amortised cost has been incurred, the amount of 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 asset is reduced through the use of allowance account. The impairment loss is recognised in the 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 allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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 was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Impairment of Non-Financial Assets

The company assesses at the end of each reporting period whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded subsidiaries or other available fair value indicators.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

For assets excluding goodwill, an assessment is made at the end of each reporting period as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

g) Cash and Cash Equivalents

Cash and cash equivalents comprised cash in hand and at banks and fixed deposit which form part of the cash management that are readily convertible to known amount of cash and which are subject to insignificant risk of changes in value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) **Share Capital**

Proceeds from issuance of ordinary shares are recognised as share capital in equity.

i) **Financial Liabilities**

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value, plus, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

j) **Provisions**

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

The specific recognition criteria described below must also be met before revenue recognised:-

Course fee income is recognised as revenue over the duration of the course.

Commission income is recognised when the right to receive payment is established.

Interest income is recognised using the effective interest method.

l) Key Management Personnel

Key management personnel of the company are those persons having authority and responsibility for planning, directing and controlling the activities of the company. The directors are considered as key management personnel.

m) Contingencies

A contingent liability is:-

A possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company; or

A present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company.

Contingent liabilities and assets are not recognised on the statement of financial position of the company.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) **Taxation**

Income tax on the profit or loss for the period comprises current and deferred income taxes. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised outside profit or loss, in which case it is recognised in equity or other comprehensive income.

Current tax is the expected tax payable on the taxable income for the period, using tax rates enacted or substantively enacted at the end of the reporting period and any adjustment to tax payable in respect of previous years.

Deferred tax is provided using the liability method for temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

o) **Currency Translation**

Functional and presentation currency

Items included in the financial statements of the company are measured using the currency of the primary economic environment in which the company operates (“functional currency”). The financial statements of the company are presented in Singapore dollar, which is the company’s functional currency.

Transactions and balances

Transactions in foreign currencies are measured and recorded in Singapore dollars at the exchange rate in effect at the date of transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at the end of the reporting period. All realised and unrealised differences are taken to the profit or loss.

3. PLANT AND EQUIPMENT

	Air Conditioners	Computer Software	Equipment, Furniture and Fittings	Total
	S$	S$	S$	S$
Cost				
At 01.01.2016/31.12.2016/ 01.01.2017	1,700	-	23,753	25,453
Additions	-	10,876	-	10,876
At 31.12.2017	1,700	10,876	23,753	36,329
Accumulated Depreciation				
At 01.01.2016	1,700	-	23,244	24,944
Charge for the year	-	-	306	306
At 31.12.2016/01.01.2017	1,700	-	23,550	25,250
Charge for the year	-	3,625	68	3,693
At 31.12.2017	1,700	3,625	23,618	28,943
Net Book Value				
At 31.12.2017	-	7,251	135	7,386
At 31.12.2016	-	-	203	203

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2017	2016
	S$	S$
Quoted equity securities:-		
Balance at beginning of year	4,456,355	4,237,675
Fair value adjustments	388,484	218,680
Balance at end of year	4,844,839	4,456,355

Financial assets at fair value through profit or loss are denominated in following currencies:-

	2017	2016
	S$	S$
Singapore dollar	1,754,377	2,887,579
United States dollar	1,978,633	1,034,122
British Pound	304,211	173,188
Euro dollar	518,722	240,871
Swedish krona	22,004	-
Swiss Franc	84,300	29,650
Japanese Yen	171,253	90,945
Canadian dollar	11,339	-
	4,844,839	4,456,355

5. TRADE RECEIVABLES

Trade receivables are non-interest bearing and generally no credit term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables that are past due at the end of reporting period but not impaired amounted to S$NIL (2016: S$840). The analysis of the aging of the trade receivables at the end of reporting period is as follows:-

	2017	2016
	S$	S$
Past due but not impaired:-		
Past due 31 - 60 days	-	840

6. OTHER RECEIVABLES AND PREPAYMENT

GST receivable	4,127	2,080
Interest receivable	820	706
Prepayments	560	560
	5,507	3,346

7. CASH AND CASH EQUIVALENTS

Cash and bank balances	34,161	174,826
Fixed deposits	316,540	312,691
	350,701	487,517

The fixed deposits bear interest rate at 1.41% (2016: 1.23%) per annum with the tenures of deposits of twelve months.

8. SHARE CAPITAL

	2017	2016
	S$	S$
Issued and fully paid:-		
2,314,000 (2016: 2,314,000) ordinary shares	2,314,000	2,314,000

The owner of ordinary shares is entitled to receive dividends as and when declared by the company. All ordinary shares have no par value and carry one vote per share without restrictions.

9. OTHER PAYABLES AND ACCRUALS

	2017	2016
	S$	S$
Deferred income	50	8,550
Accruals	4,400	4,400
	4,450	12,950

10. REVENUE

CPR course fees	14,974	12,248
Commission income	14,601	19,594
Healthcare course fees	33,188	55,131
	62,763	86,973

11. OTHER REVENUE

Fair value gain on financial assets at fair value through profit or loss	394,072	221,311
Interest income on bank deposits	3,963	4,886
Sundry income	79	-
	398,114	226,197

12. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after deducting the following items:-		
CPR course expense	17,370	18,780
Depreciation of plant and equipment	3,693	306
Donations	78,000	20,000
Healthcare course expenses	50,021	44,116
Management fees	30,156	23,964

13. TAXATION

	2017	2016
	S$	S$
Income tax expense:-		
- Current year	7,631	6,935
- Over provision in priors years	(1,562)	(368)
Tax expense	6,069	6,567

The tax expense on the results for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:-

	2017	2016
	S$	S$
Profit before taxation	274,045	197,874
Tax expense calculated at a tax rate of 17%	46,588	33,638
Expenses not tax dedutible	13,260	3,400
Enhanced tax allowance	(38,697)	(8,500)
Overprovision in prior years	(1,562)	(368)
Singapore statutory stepped income exemption	(10,390)	(14,720)
Tax rebate	(1,909)	(6,935)
Others	(1,221)	52
Tax expense	6,069	6,567

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the company and related parties took place during the financial year at terms agreed between the party:-

	2017	2016
	S$	S$
With holding entity		
Management fee expenses	30,156	23,964
CPR course expenses	7,268	8,745
Healthcare course expenses	9,398	8,745
With related party		
Donation	78,000	20,000

15. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the categories of the company's financial assets and financial liabilities as at end of the reporting period:-

	2017	2016
	S$	S$
Financial assets		
Financial assets at fair value through profit or loss:-		
Quoted securities	4,844,839	4,456,355
Loan and receivables:-		
Trade receivables	-	840
Other receivables	820	706
Cash and cash equivalents	350,701	487,517
Total financial assets	5,196,360	4,945,418
Financial liability		
At amortised cost:-		
Accruals	4,400	4,400
Total financial liabilities	4,400	4,400

16. CAPITAL MANAGEMENT

The company manages its capital to ensure that it will be able to continue as a going concern while maximising the returns to shareholder through the optimisation of the debt and equity balance.

The management reviews the capital structure regularly to achieve an appropriate capital structure. As part of this review, the management considers the cost of capital and the risks associated with each class of capital and makes adjustments to the capital structure, where appropriate, in light of changes in economic conditions and the risk characteristics of the underlying assets.

The company has no externally imposed capital requirements.

The company's overall strategy remains unchanged for both of the reporting periods

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company does not have written financial risk management policies and guidelines which set out tolerance for risk and its general risk management philosophy but management may use natural hedges or closely monitor the company's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the company minimises credit risk by dealing exclusively with high credit rating counterparties.

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 5 to the financial statements.

The company has no concentration risk. The maximum exposure to credit risk for each class of financial instrument is the carrying amount of that class of financial instruments presented on the statement of financial position.

Liquidity Risk

The company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

The maturity profile of the company's financial liabilities is within the next 12 months after the end of the reporting period.

Interest Rate Risk

The company has no significant exposure to interest rate risk. As such, fluctuations in market interest rates do not have any significant effect on the company's cash flows.

Price Risk

The company is exposed to equity securities price risk arising from the investments held by the company which are classified in the statement of financial position as financial assets at fair value through profit or loss. To manage the price risk, the company through stockbrokers monitors share prices on a daily basis. The sensitivity analysis for changes in market prices is not disclosed as the effect on the profit or loss is considered not significant.

18. FAIR VALUE

Fair value of financial instruments carried at fair value

The company classifies fair value measurement using fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchies have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities

- Level 2 – Input other than quoted prices included within level 1 that are observable for the asset or liabilities, either directly (i.e as prices) or indirectly (i.e derived from prices), and

- Level 3 – Input for the assets or liability that is not based on observable market data (unobservable inputs)

The quoted securities instruments at fair value of S$4,844,839 (2016: S$4,456,355) is based on quoted price which is included in Level 1.

Fair value of financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of the financial assets (other than investment securities) and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

19. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2018. Except for FRS 109 the directors expect that the adoption of the other standards will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 109 is described below.

FRS 109 *Financial Instruments*

FRS 109 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in FRS 109 are based on an expected credit loss model and replace the FRS 39 incurred loss model. Adopting the expected credit losses requirements will require the company to make changes to its current systems and processes.

FRS 109 is effective for annual periods beginning on or after 1 January 2018 with early application permitted. Retrospective application is required, but comparative information is not compulsory. The company is currently assessing the impact of FRS 109 and plans to adopt the standard on the required effective date.

20. SUBSEQUENT EVENTS

Subsequent to the end of the reporting period, the company increased its paid up capital from S$2,314,000 to S$3,314,000 by creation of additional 1,000,000 ordinary shares to provide fund to the company for investment purpose. These issued shares rank pari passu in all respects with the existing issued shares.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DETAILED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2017

	2017	2016
	S$	S$
Income		
CPR course fees	14,974	12,248
Commission income	14,601	19,594
Fair value gain on financial assets at fair value through profit or loss	394,072	221,311
Healthcare course fees	33,188	55,131
Interest income on bank deposits	3,963	4,886
Sundry income	79	-
	460,877	313,170
Less: Expenditure		
Auditors' remuneration	3,000	3,000
Bank charges	82	82
CPR course expenses	17,370	18,780
Depreciation of plant and equipment	3,693	306
Donation	78,000	20,000
General expenses	400	460
Healthcare course expenses	50,021	44,116
Management fees	30,156	23,964
Mask, gloves and gowns	2,400	2,400
Postage and courier	155	155
Printing and stationery	155	155
Repair and maintenance	-	478
Secretarial fees	700	700
Tax fee	700	700
	(186,832)	(115,296)
Profit before taxation	274,045	197,874

This schedule does not form part of the statutory audited financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND
(Registered in the Republic of Singapore)

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2017

NTS/LAU/TZC

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

TRUSTEE COMMITTEE

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT BY THE TRUSTEES

In the opinion of the trustees, the financial statements as set out on pages 5 to 12 are drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of Singapore Medical Association Trust Fund ("The Fund") as at 31 December 2017 and the financial performance, changes in fund and cash flows of The Fund for the year ended on that date.

At the date of this statement, there are reasonable grounds to believe that The Fund will be able to pay its debts as and when they fall due.

On behalf of the trustee committee,

……………………………………………………….
DR LEE PHENG SOON
Chairman

………………………………………………………...
DR TAN YEW GHEE
Secretary

………………………………………………………...
DR TAN KOK SOO
Treasurer

Singapore, 26 March 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION TRUST FUND

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Trust Fund ("The Fund"), which comprise the statement of financial position of The Fund as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows of The Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of The Fund as at 31 December 2017 and of the financial performance, changes in fund and cash flows of The Fund for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of The Fund in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The Fund's trustees are responsible for the other information. The other information comprises the Statement by the Trustees [set out on page 1].

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION TRUST FUND (Continued)

Responsibilities of Trustees for the Financial Statements

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

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

The Fund's trustees' responsibilities include overseeing The Fund's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of The Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by The Fund's trustees.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE MEDICAL ASSOCIATION TRUST FUND (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of The Fund's trustees use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on The Fund's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause The Fund to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with The Fund's trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 26 March 2018

KRESTON DAVID YEUNG PAC (UEN: 200717891W)
A public accounting corporation incorporated with limited liability and a member of **Kreston International**
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION
As at 31 December 2017

	Note	2017 S$	2016 S$
ASSET			
Current asset			
Cash and cash equivalents		77,210	77,210
Total asset		77,210	77,210
FUND			
Capital fund	3	21,513	21,513
Accumulated surplus		55,697	55,697
Total funds		77,210	77,210
Total equity		77,210	77,210

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2017

	2017	2016
	S$	S$
Revenue		-
Less: Expenditure		-
Surplus before taxation	-	-
Less: Taxation		-
Net surplus and total comprehensive income for the year	-	-

The operating expenses of The Fund were absorbed by Singapore Medical Association.

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

STATEMENT OF CHANGES IN FUND
For the year ended 31 December 2017

	Capital fund S$	Accumulated surplus S$	Total equity S$
Balance as at 01.01.2016	21,513	55,697	77,210
Total comprehensive surplus for the year	-	-	-
Balance as at 31.12.2016/01.01.2017	21,513	55,697	77,210
Total comprehensive surplus for the year	-	-	-
Balance as at 31.12.2017	21,513	55,697	77,210

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF CASH FLOWS
For the year ended 31 December 2017

	2017 S$	2016 S$
Cash flows from operating activities		
Surplus before taxation	-	-
Net cash used in operating activities	-	-
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	77,210	77,210
Cash and cash equivalents at end of year	77,210	77,210

The notes set out on pages 9 to 12 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

The registered office and principal place of business of The Fund is located at 2 College Road, Level 2, Alumni Medical Centre, Singapore 169850.

The principal activities of The Fund are to relieve the distress, poverty and suffering among members of the public and in particular members of the medical profession in Singapore and also to provide scholarship, financial assistance and awards for students pursuing studies in medical courses.

The financial statements of The Fund are expressed in Singapore dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of The Fund have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, The Fund has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for annual period beginning on or after 1 January 2017. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of The Fund’s accounting policies, reported amounts of assets, liabilities, income and expense and disclosures made. Although these estimates are based on trustees best knowledge of current events and actions, trustees are of the opinion that there are no critical judgements involves that have a significant effect on the amounts recognised in the financial statements.

c) Cash and Cash Equivalents

Cash and cash equivalents comprised cash at bank which are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets**

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, directly attributable transaction costs.

Subsequent measurement

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. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

All financial assets are recognised on their trade-date – the date on which The Fund commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the assets have expired or have been transferred and The Fund has transferred substantially all risks and rewards of ownership.

e) **Currency Translations**

Functional and presentation currency

Items included in the financial statements of The Fund are measured using the currency of the primary economic environment in which The Fund operates ("functional currency"). The financial statements of The Fund are presented in Singapore dollar, which is The Fund's functional currency.

Transactions and balances

Transactions in a currency other than Singapore dollar ("foreign currency") are translated into Singapore dollar using the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, recorded foreign currency monetary items are adjusted to reflect the rate at end of reporting period. All realised and unrealised differences are taken to the profit or loss.

3. CAPITAL FUND

	2017	2016
	S$	S$
Balance at beginning of year and end of year	21,513	21,513

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Fund does not have written financial risk management policies and guidelines which set out its tolerance for risk and its general risk management philosophy but the trustees may use natural hedges or closely monitor The Fund's business risk exposures in connection with its financial assets and financial liabilities and adopts the appropriate measures including the use of other financial instruments when considered necessary to reduce any potential financial risk exposures or losses.

Credit Risk

The Fund has no significant concentrations of credit risk. Cash is placed with established financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Liquidity Risk

The trustees monitor and maintain a level of cash and cash equivalents deemed adequate by The Fund to finance The Fund's operations and mitigate the effects of fluctuations in cash flows. The fund will be funded by Singapore Medical Association if necessary.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period:-

	2017	2016
	S$	S$
Financial assets		
Loans and receivables: -		
Cash and cash equivalents	77,210	77,210
Total financial assets	77,210	77,210

6. FAIR VALUES

The carrying amounts of financial assets recorded in the financial statements approximate their respective fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

7. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2018. The Fund's trustees expect that the adoption of these standards will have no material impact on the financial statements in the period of initial application.