

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2020**

**SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

REGISTERED OFFICE

**2985 Jalan Bukit Merah
#02-2C SMF Building
Singapore 159457**

AUDITOR

Kreston David Yeung PAC

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**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 present fairly, in all material respects, the financial position of the group and of the association as at 31 December 2020 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 TAN YIA SWAM
President

DR NG CHEW LIP
Honorary Secretary

DR LIM KHENG CHOON
Honorary Treasurer

Singapore, 23 March 2021



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 2020, the 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 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 present fairly, in all material respects, the consolidated financial position of the group and the financial position of the association as at 31 December 2020 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 group'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 intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

The association's council members' responsibilities include overseeing the group'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 of 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 group'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 group'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 group 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, 23 March 2021

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
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2020

		2020	Group 2019	2020	Association 2019
ASSETS	Note	S\$	S\$	S\$	S\$
Non-current assets					
Property, plant and equipment	3	89,856	136,435	89,856	136,435
Investment in subsidiary	4	-	-	3,314,000	3,314,000
Right-of-use assets	5	-	138,681	-	138,681
Total non-current assets		89,856	275,116	3,403,856	3,589,116
Current assets					
Financial assets at fair value through profit or loss	6	5,970,572	5,865,542	-	-
Trade receivables	7	352,387	299,984	377,138	337,261
Subscription in arrears	8	163,152	200,250	163,152	200,250
Other receivables, deposits and prepayments	9	120,511	75,860	120,133	74,088
Cash and bank balances	10	2,640,294	1,825,722	2,262,071	1,451,001
Total current assets		9,246,916	8,267,358	2,922,494	2,062,600
Total assets		9,336,772	8,542,474	6,326,350	5,651,716
FUNDS AND LIABILITIES					
Accumulated fund		8,456,769	7,644,758	5,460,715	4,758,822
Deferred capital grant	11	3,852	41,856	3,852	41,856
Total funds		8,460,621	7,686,614	5,464,567	4,800,678
Current liabilities					
Other payables and accruals	12	866,348	711,870	861,783	707,570
Provision of taxation		9,803	522	-	-
Lease liabilities	13	-	143,468	-	143,468
Total current liabilities		876,151	855,860	861,783	851,038
Total funds and liabilities		9,336,772	8,542,474	6,326,350	5,651,716

The notes set out on pages 11 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2020

		Group		Association	
	Note	2020 S\$	2019 S\$	2020 S\$	2019 S\$
Income					
Amortisation of deferred capital grant		38,004	47,940	38,004	47,940
AST course fees		318,500	219,100	318,500	219,100
Bad debts recovered		1,318	-	1,318	-
Centre for ME and Professionalism income		116,011	91,576	116,011	91,576
Commission income		619,357	674,288	604,924	659,684
CPR course fees		4,280	7,392	-	-
e2i Training grant		-	-	-	-
Fair value gain on financial assets at fair value through profit or loss (FVTPL)		105,030	604,680	-	-
Healthcare course fees		13,420	27,200	-	-
Interest income on bank deposits		6,781	15,733	3,676	11,180
IPG contribution collection		-	1,122	-	1,122
JLT administration fee		77,865	-	77,865	-
Jobs support scheme		288,991	-	288,991	-
Management fee income		44,759	43,440	69,090	79,028
Medical Practice Management income		12,097	9,000	12,097	9,000
Medik Awas income		2,795	3,963	2,795	3,963
Members' welfare event income		13,292	19,014	13,292	19,014
MPS workshop income		-	17,352	-	17,352
Rebate income		86,438	119,695	86,438	119,695
Sale of masks and gowns		68,976	-	-	-
SMA Dinner		-	55,507	-	55,507
SMA Football		-	6,500	-	6,500
SMA Golf		-	20,111	-	20,111
SMA Medical convention		-	-	-	-
SMA Newsletter publication		599,670	421,621	599,670	421,621
SMA talks and seminars		14,790	29,264	14,790	29,264
SMJ publication		70,332	42,747	70,332	42,747
Subscriptions		757,062	772,953	757,062	772,953
Sundry income		3,710	12,830	3,710	12,650
		<u>3,263,478</u>	<u>3,263,028</u>	<u>3,078,565</u>	<u>2,640,007</u>
Expenditure		<u>(2,441,845)</u>	<u>(2,716,035)</u>	<u>(2,376,672)</u>	<u>(2,689,697)</u>
Surplus/(Deficit) before taxation		821,633	546,993	701,893	(49,690)
Taxation	14	<u>(9,622)</u>	<u>(522)</u>	<u>-</u>	<u>-</u>
Net surplus/(deficit) and total comprehensive income/(loss) for the year		<u>812,011</u>	<u>546,471</u>	<u>701,893</u>	<u>(49,690)</u>

The notes set out on pages 11 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF EXPENDITURE
For the year ended 31 December 2020

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Advertisement	1,346	1,636	1,346	1,636
AST course expenses	60,559	99,526	60,559	99,526
Auditors' remuneration	10,500	10,500	7,500	7,500
Bad debts	-	1,131	-	1,131
Bank charges	8,638	8,944	8,490	8,842
Centre for ME and professionalism expenses	29,754	69,301	29,754	69,301
CPF and SDL	205,032	204,863	205,032	204,863
CPR course expenses	(10)	3,219	-	-
Depreciation of property, plant and equipment	86,548	125,561	86,548	121,868
Depreciation of right-of-use assets	138,681	147,525	138,681	147,525
Entertainment	2,456	9,308	2,456	9,308
General expenses	642	469	207	209
Healthcare course expenses	4,851	12,154	-	-
Insurance	19,034	20,887	19,034	20,887
Interest	4,577	14,208	4,577	14,208
Inter-professional games	(760)	6,120	(760)	6,120
Jobs credit and other schemes	(23,186)	(5,109)	(23,186)	(5,109)
Masks, gloves and gowns	54,859	2,400	-	-
Medical expenses	7,397	9,312	7,397	9,312
Medical Practice Management expenses	-	12,348	-	12,348
Medik Awas expenses	369	375	369	375
Meeting expenses	160	1,547	160	1,547
Member's welfare	33,522	68,060	33,522	68,060
Net allowance for credit losses	104,700	87,750	104,700	87,750
Newspapers & periodicals	-	619	-	619
Office refreshments	607	1,068	607	1,068
Postage and couriers	6,098	14,099	6,098	14,069
Printing and stationery	13,926	18,003	13,336	17,723
Professional fee	44,100	52,268	44,100	52,268
Rental of equipment	890	482	890	482
Repairs and maintenance	22,466	21,051	22,466	21,051
Balance carried forward	837,756	1,019,625	773,883	994,487

The notes set out on pages 11 to 37 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**STATEMENTS OF EXPENDITURE
For the year ended 31 December 2020**

	2020	Group 2019	2020	Association 2019
	S\$	S\$	S\$	S\$
Balance brought forward	837,756	1,019,625	773,883	994,487
SMA Dinner expenses	1,250	66,242	1,250	66,242
SMA Football expenses	-	7,772	-	7,772
SMA Golf expenses	-	21,087	-	21,087
SMA Newsletter expenses	176,771	177,879	176,771	177,879
SMA talks and seminar expenses	6,285	6,929	6,285	6,929
SMJ publication expenses	53,386	45,995	53,386	45,995
Secretarial fees	600	500	-	-
Sponsorship	-	15,000	-	15,000
Staff commission	-	10,516	-	10,516
Staff salaries and bonuses	1,311,676	1,306,268	1,311,676	1,306,268
Staff training	250	2,043	250	2,043
Staff vacation pay	24,886	(11,724)	24,886	(11,724)
Staff welfare	5,372	7,966	5,372	7,966
Subscriptions	2,671	2,709	2,671	2,709
Tax fee	700	700	-	-
Telephone and fax	14,608	9,674	14,608	9,674
Transportation	5,634	9,657	5,634	9,657
Travel	-	17,197	-	17,197
Total expenditure	<u>2,441,845</u>	<u>2,716,035</u>	<u>2,376,672</u>	<u>2,689,697</u>

The notes set out on pages 11 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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**STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2020**

	Note	Accumulated fund S\$	Deferred capital grant S\$	Total S\$
<u>GROUP</u>				
Balance as at 01.01.2019		7,098,287	78,242	7,176,529
Addition (net) for the year	11	-	(36,386)	(36,386)
Total comprehensive income for the year		546,471	-	546,471
Balance as at 31.12.2019 and 01.01.2020		7,644,758	41,856	7,686,614
Addition (net) for the year	11	-	(38,004)	(38,004)
Total comprehensive income for the year		812,011	-	812,011
Balance as at 31.12.2020		8,456,769	3,852	8,460,621
<u>ASSOCIATION</u>				
Balance as at 01.01.2019		4,808,512	78,242	4,886,754
Addition (net) for the year	11	-	(36,386)	(36,386)
Total comprehensive loss for the year		(49,690)	-	(49,690)
Balance as at 31.12.2019 and 01.01.2020		4,758,822	41,856	4,800,678
Addition (net) for the year	11	-	(38,004)	(38,004)
Total comprehensive income for the year		701,893	-	701,893
Balance as at 31.12.2020		5,460,715	3,852	5,464,567

The notes set out on pages 11 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2020

	Note	2020 S\$	2019 S\$
Cash flows from operating activities			
Surplus before taxation		821,633	546,993
Adjustments for:-			
Bad debts recovered		(1,318)	-
Depreciation of property, plant and equipment		86,548	125,561
Depreciation of right-of-use assets		138,681	147,525
Allowance for credit losses		111,997	93,829
Fair value adjustment		(105,030)	(604,680)
Interest expense		4,577	14,208
Interest income		(6,781)	(15,733)
Amortisation of deferred capital grant		(38,004)	(47,940)
Operating cash flow before working capital changes:-		1,012,303	259,763
(Increase)/Decrease in trade and other receivables		(170,978)	97,800
Increase in other payables and accruals		154,478	50,674
Increase in deferred capital grant		-	11,554
Cash generated from operations		995,803	419,791
Income tax paid		(341)	-
Net cash generated from operating activities		995,462	419,791
Cash flows from investing activities			
Purchase of plant and equipment		(39,969)	(30,320)
Interest received		7,124	15,585
Fixed deposit pledged		(679)	(384)
Net cash used in investing activities		(33,524)	(15,119)
Cash flows from financing activities			
Interest paid		(4,577)	(14,208)
Payment of principal portion of lease liabilities		(143,468)	(142,738)
Net cash used in financing activities		(148,045)	(156,946)
Net increase in cash and cash equivalents		813,893	247,726
Cash and cash equivalents at beginning of year		1,777,352	1,529,626
Cash and cash equivalents at end of year	10	2,591,245	1,777,352

The notes set out on pages 11 to 35 form an integral part of and should be read in conjunction with this set of financial statements.

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

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 2985 Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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 2020 are authorised for issue by the Council of the association on 23 March 2021.

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 2020. 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.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used and are as 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 property, plant and equipment

As described in Note 2(d), the group reviews the estimated useful lives of property, 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 property, plant and equipment.

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Allowance for expected credit losses

The group uses provision matrix to calculate the expected credit losses for financial assets. The amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics and with forward-looking information. At the end of each reporting period, historical loss information is updated and changes in the forward-looking estimates are analysed.

The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The group's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation (Continued)

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.

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Plant and Equipment and Depreciation (Continued)

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.

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.

At initial recognition, the group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset.

Transaction cost of financial assets carried at fair value through profit or loss are expensed in profit or loss.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Assets (Continued)

Initial recognition and measurement (Continued)

Trade receivables are measured at the amount of consideration to which the group expects to be entitled in exchange for transferring promised goods and services to a customer, excluding amount collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investment in debt instrument

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them. The group only has debt instrument at amortised cost.

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

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the group may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI). Dividends from such investments are to be recognised in profit or loss when the group's right to receive payments is established. For investments in equity instruments which the group has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to the 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Assets (Continued)

Impairment of financial assets

The group recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The group always recognises lifetime ECL for receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

h) 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 of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in the profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset’s recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of 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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) 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. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

j) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) 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.

l) 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.

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.

m) Leases

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

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Leases (Continued)**

As lessee

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

Right-of-use asset

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

If ownership of the leased asset transfers to the group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset is also subject to impairment. The accounting policy for impairment is disclosed in Note 2(h) to the financial statements.

The group's right-of-use assets is disclosed Note 5 to the financial statements.

Lease liabilities

At the commencement date of the lease, the group recognises lease liability measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Leases (Continued)**

Lease liabilities (Continued)

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

The group's lease liability is disclosed in Note 13 to the financial statements.

n) **Revenue Recognition**

Revenue is measured based on the consideration to which the group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

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

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

Subscription fees from members are recognised over the period of membership.

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.

Revenue from advertisements is recognised in the period in which the advertisement is published.

Rebates and miscellaneous income are recognised when due.

Interest income is recognised using the effective interest method.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Government Grants

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.

Grants for the purchase of depreciable assets are taken to the deferred grant account at their fair value. The deferred grant is recognised in the profit or loss over the years necessary to match the depreciation of assets purchased with the related grant. Grants for operating expenses are recognised in the profit or loss over the years necessary to match them on a systematic basis to the costs that they are intended to compensate.

p) 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.

q) 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 council members are considered as key management personnel.

r) 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.

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2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

s) **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

<u>Group</u>	Computers	Computer software	Air Conditioners	Equipment,	Renovations	Total
				furniture and fittings		
				S\$	S\$	S\$
Cost						
At 01.01.2019	117,188	158,151	14,204	148,175	172,820	610,538
Additions	12,848	15,000	-	2,472	-	30,320
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019/01.01.2020	115,993	173,151	14,204	129,262	172,820	605,430
Additions	15,990	-	-	23,979	-	39,969
At 31.12.2020	131,983	173,151	14,204	153,241	172,820	645,399
Accumulated Depreciation						
At 01.01.2019	117,188	110,066	4,735	110,200	36,673	378,862
Charge for the year	12,848	53,085	4,735	20,856	34,037	125,561
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019/01.01.2020	115,993	163,151	9,470	109,671	70,710	468,995
Charge for the year	15,990	5,000	4,734	26,787	34,037	86,548
At 31.12.2020	131,983	168,151	14,204	136,458	104,747	555,543
Net Book Value						
At 31.12.2020	-	5,000	-	16,783	68,073	89,856
At 31.12.2019	-	10,000	4,734	19,591	102,110	136,435

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3. PROPERTY, PLANT AND EQUIPMENT (Continued)

<u>Association</u>	Computers	Computer Software	Air Conditioners	Equipment, furniture and fittings	Renovations	Total
			S\$	S\$	S\$	S\$
Cost						
At 01.01.2019	117,188	147,276	14,204	130,825	172,820	582,313
Additions	12,848	15,000	-	2,472	-	30,320
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019/01.01.2020	115,993	162,276	14,204	111,912	172,820	577,205
Additions	15,990	-	-	23,979	-	39,969
At 31.12.2020	131,983	162,276	14,204	135,891	172,820	617,174
Accumulated Depreciation						
At 01.01.2019	117,188	102,816	4,735	92,918	36,673	354,330
Charge for the year	12,848	49,460	4,735	20,788	34,037	121,868
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019/01.01.2020	115,993	152,276	9,470	92,321	70,710	440,770
Charge for the year	15,990	5,000	4,734	26,787	34,037	86,548
At 31.12.2020	131,983	157,276	14,204	119,108	104,747	527,318
Net Book Value						
At 31.12.2020	-	5,000	-	16,783	68,073	89,856
At 31.12.2019	-	10,000	4,734	19,591	102,110	136,435

4. INVESTMENT IN SUBSIDIARY

	2020	Association 2019
	S\$	S\$
<u>Unquoted equity shares, at cost</u>		
Balance at beginning of the year and end of the year	3,314,000	3,314,000

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 Chew Suok Kai, Dr Tan Cheng Bock @ Adrian Tan and Associate 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.

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5. RIGHT-OF-USE ASSETS

	Group and Association	
	2020	2019
	S\$	S\$
Represented by right-of-use of:		
- Office premises	273,826	273,826
- Copier machine	12,380	12,380
	<u>286,206</u>	<u>286,206</u>
Less: accumulated depreciation		
- Right-of-use of office premises	(273,826)	(136,913)
- Right-of-use of copier machine	(12,380)	(10,612)
	<u>-</u>	<u>138,681</u>

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020	Group 2019
	S\$	S\$
Quoted equities and others	<u>5,970,572</u>	<u>5,865,542</u>

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

	2020	Group 2019
	S\$	S\$
Singapore dollar	5,969,326	5,864,274
United States dollar	1,246	1,268
	<u>5,970,572</u>	<u>5,865,542</u>

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

7. TRADE RECEIVABLES

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Trade receivables				
- Related party	47,893	46,481	47,893	46,481
- Subsidiary	-	-	24,751	37,277
- Third parties	304,494	253,503	304,494	253,503
	<u>352,387</u>	<u>299,984</u>	<u>377,138</u>	<u>337,261</u>

Trade receivables are non-interest bearing and are generally on 0-60 days (2019: 0-60 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	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Not past due	239,149	252,768	263,900	290,045
Past due 1 - 3 months	87,664	30,688	87,664	30,688
Past due 3 - 6 months	24,075	3,777	24,075	3,777
Over 6 months	1,499	12,751	1,499	12,751
	<u>352,387</u>	<u>299,984</u>	<u>377,138</u>	<u>337,261</u>

8. SUBSCRIPTIONS IN ARREARS

	Group and Association	
	2020	2019
	S\$	S\$
Subscriptions in arrears	275,149	294,079
Less: Allowance for credit losses	<u>(111,997)</u>	<u>(93,829)</u>
	<u>163,152</u>	<u>200,250</u>
Movements of allowance for credit losses:-		
Balance at beginning of year	93,829	43,133
Addition during the year	111,997	93,829
Allowance written off	<u>(93,829)</u>	<u>(43,133)</u>
Balance at end of year	<u>111,997</u>	<u>93,829</u>

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9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Other receivable	214	11,796	214	10,745
Fixed deposit interest receivable	378	721	-	-
Deposits	65,868	51,361	65,868	51,361
Prepayments	17,310	11,982	17,310	11,982
Grant receivable - JSS	36,741	-	36,741	-
	<u>120,511</u>	<u>75,860</u>	<u>120,133</u>	<u>74,088</u>

The Jobs Support Scheme (JSS) is government assistance intended to provide wage support up to 17 months to entities who retain their local employees during the period of economic uncertainty. The group's operation was significantly impacted from April 2020, following the circuit-breaker measures which took effect on 7 April 2020. As a result, the group will recognise the grant income from April 2020 till August 2021.

The grant receivable – JSS of S\$36,741 represents 4th payout of JSS for wage support from September to December 2020 and receivable in March 2021. JSS grant income of S\$288,991 has been recognised during the financial year.

10. CASH AND BANK BALANCES

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Cash and bank balances	1,888,474	1,081,027	1,789,458	982,065
Fixed deposits	<u>751,820</u>	<u>744,695</u>	<u>472,613</u>	<u>468,936</u>
	2,640,294	1,825,722	2,262,071	1,451,001
Less: Fixed deposit pledged	<u>(49,049)</u>	<u>(48,370)</u>	<u>(49,049)</u>	<u>(48,370)</u>
Cash and cash equivalents	<u>2,591,245</u>	<u>1,777,352</u>	<u>2,213,022</u>	<u>1,402,631</u>

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

The fixed deposits bear interest rate at 0.05% to 1.4292% (2019: 1.4% to 1.4292%) per annum and mature within 180 days to 365 days (2019: 90 days to 365 days).

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11. DEFERRED CAPITAL GRANT

	Group and Association	
	2020	2019
	S\$	S\$
Balance at beginning of year	41,856	78,242
Additions during the year	-	11,554
Less: Amortisation for the year	<u>(38,004)</u>	<u>(47,940)</u>
Balance at end of year	<u>3,852</u>	<u>41,856</u>

The deferred capital grant is related to grant provided by Enterprise 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.

12. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Other payables	52,162	43,094	51,897	43,094
Accruals	227,601	180,509	223,301	176,209
Contract liabilities	525,249	488,267	525,249	488,267
Deferred capital grant	<u>61,336</u>	<u>-</u>	<u>61,336</u>	<u>-</u>
	<u>866,348</u>	<u>711,870</u>	<u>861,783</u>	<u>707,570</u>

Revenue recognised in 2020 which was included in the contract liabilities balance at beginning of the year was S\$108,267.

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2020 is S\$525,249 (2019: S\$488,267). The group expects to recognise revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as below:-

	Group and Association	
	2020	2019
	S\$	S\$
Within one year	133,124	108,267
Within two to five years	273,525	248,000
More than five years	<u>118,600</u>	<u>132,000</u>
	<u>525,249</u>	<u>488,267</u>

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13. LEASES – Group and Association

The group as a lessee

The group has lease contracts for its leasehold office premises and copier machine. The group's obligations under these leases are secured by the lessor's title to the leased assets. The group is restricted from assigning and subleasing its leased asset.

(a) Lease liability

The carrying amounts of lease liability and the movements during the year are as below:-

	1 January 2020	Cash flows	Non-cash changes Accretion of Interest	31 December 2020
	S\$	S\$	S\$	S\$
Lease liability:-				
- Current	143,468	(148,045)	4,577	-

(b) Amount recognised in profit or loss

	2020	2019
	S\$	S\$
Depreciation of right-of-use assets	138,681	147,525
Interest expense on lease liabilities	4,577	14,208
Total amount recognised in profit or loss	143,258	161,733

(c) Total cash outflows

The group had total cash outflows for leases of S\$148,045 (2019: S\$156,946).

(d) Lease options

The group's lease contract does not include extension options.

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14. TAXATION

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
<u>Income tax expense:-</u>				
- Current year	9,753	522	-	-
- Over provision in prior year	(131)	-	-	-
Tax expense	<u>9,622</u>	<u>522</u>	<u>-</u>	<u>-</u>

The tax expense/(benefit) 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/(deficit) before taxation due to the following factors:-

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Surplus/(Deficit) before taxation	<u>821,633</u>	<u>546,993</u>	<u>701,893</u>	<u>(49,690)</u>
Tax expenses/(benefit) calculated at a tax rate of 17%	139,678	92,989	119,322	(8,447)
Enhanced tax allowance	(68,022)	-	(68,022)	-
Expenses not tax deductible	1,567	2,970	1,567	2,970
Over provision in prior years	(131)	-	-	-
Revenue not taxable	(49,983)	-	(49,983)	-
Singapore statutory stepped income exemption	(10,603)	(1,373)	-	-
Unrecognised deferred tax assets at beginning of year	(32,608)	(109,826)	(32,608)	(9,027)
Unrecognised deferred tax assets at end of year	53,949	32,608	53,949	32,608
Other	<u>(24,225)</u>	<u>(16,846)</u>	<u>(24,225)</u>	<u>(18,104)</u>
Tax expense	<u>9,622</u>	<u>522</u>	<u>-</u>	<u>-</u>

As at the end of the reporting period, the group had unutilised capital allowances and unutilised donation of approximately S\$152,000 and S\$196,000 (2019: S\$4,700 and S\$196,000) respectively and the association had unutilised capital allowance and unutilised donation of approximately S\$152,000 and S\$196,000 (2019: S\$4,700 and S\$196,000) respectively available to be carried forward to offset against future taxable profits of the group and association 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 due to uncertainty of its recovery.

**SINGAPORE MEDICAL ASSOCIATION
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AND ITS SUBSIDIARY**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

15. RELATED PARTY TRANSACTIONS

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

	Group		Association	
	2020	2019	2020	2019
	S\$	S\$	S\$	S\$
Management fee income	44,759	43,440	69,090	79,028

None of the council members received any emoluments in respect of their services for both of the financial years.

16. CAPITAL MANAGEMENT

The association regards its surpluses 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.

17. 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.

Credit Risk

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

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

17. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk (Continued)

The group considers available reasonable and supportive forward-looking information which includes the following indicators:-

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors and changes in the operating results of the debtor.

The group determined that its financial assets are credit-impaired when:-

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Trade receivables

For trade receivables, the group has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The group determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

Subscription in arrears

For subscription fees from members in arrears, the group presumes the credit risks increase significantly if a member is more than 2 years past due in making payment.

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.

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 7 and Note 8 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.

**SINGAPORE MEDICAL ASSOCIATION
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

17. FINANCIAL RISK MANAGEMENT (Continued)

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 fund manager monitors share price on a daily basis.

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 following table details the remaining contractual maturities at the end of the reporting period of the group's financial liabilities, which are based on contractual undiscounted cash flows and the earliest date that the group required to pay:-

	Group			
	2020			
Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	279,763	279,763	279,763	-
2019				
Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	223,603	223,603	223,603	-
Lease liabilities	143,468	148,045	148,045	-
	367,071	371,648	371,648	-

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

17. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

	Association			
	2020			
Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	275,198	275,198	275,198	-
	2019			
Carrying amount	Total contractual undiscounted cash flow	Within 12 months or on demand	Between 2 to 5 years	
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	219,303	219,303	219,303	-
Lease liabilities	143,468	148,045	148,045	-
	362,771	367,348	367,348	-

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.

18. 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\$5,970,572 (2019: S\$5,865,542) is based on quoted price which is included in Level 1.

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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

18. FAIR VALUE (Continued)

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. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2020	Group 2019	2020	Association 2019
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Financial assets at fair value through profit or loss:-				
Quoted securities	5,970,572	5,865,542	-	-
Amortised cost:-				
Trade receivables	352,387	299,984	377,138	337,261
Subscription in arrears	163,152	200,250	163,152	200,250
Other receivables and deposits	103,201	62,827	102,823	62,106
Cash and bank balances	2,640,294	1,825,722	2,262,071	1,451,001
Total financial assets	<u>9,229,606</u>	<u>8,254,325</u>	<u>2,905,184</u>	<u>2,050,618</u>
<u>Financial liabilities</u>				
Amortised cost:-				
Other payables and accruals	255,393	208,819	251,093	204,519
Lease liabilities	-	143,468	-	143,468
Total financial liabilities	<u>255,393</u>	<u>352,287</u>	<u>251,093</u>	<u>347,987</u>

20. 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 2021. The council members expect that adoption of these accounting standards or interpretations will have no material impact on financial statements.

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 2020**

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of Singapore Medical Association Pte Ltd (the "company") for the year ended 31 December 2020.

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 2020, 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:-

LEE HSIEN CHIEH	
LIM KHENG CHOON	
TAN SZE WEE	
WONG TIEN HUA	
WOON YNG YNG, BERTHA	
CHIE ZHI YING	(Appointed on 29 July 2020)
NG CHEW LIP	(Appointed on 29 July 2020)
TAN YIA SWAM	(Appointed on 29 July 2020)

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 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.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DIRECTORS' STATEMENT

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
Director

WONG TIEN HUA
Director

Singapore, 23 March 2021



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 2020, 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 2020 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 of 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, 23 March 2021

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2020

	Note	2020 S\$	2019 S\$
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	4	5,970,572	5,865,542
Amount due from holding company		23,531	-
Other receivables	5	378	1,772
Cash and cash equivalents	6	329,941	337,444
Total assets		6,324,422	6,204,758
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	7	3,314,000	3,314,000
Accumulated profits		2,996,054	2,885,936
Total equity		6,310,054	6,199,936
Current liabilities			
Accruals		4,300	4,300
GST payable		265	
Provision for taxation		9,803	522
Total current liabilities		14,368	4,822
Total equity and liabilities		6,324,422	6,204,758

The notes set out on pages 10 to 22 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 2020

	Note	2020 S\$	2019 S\$
Revenue	8	32,133	49,196
Other revenue	9	177,111	609,413
Operating expenses		<u>(89,504)</u>	<u>(61,926)</u>
Profit before taxation	10	119,740	596,683
Taxation	11	<u>(9,622)</u>	<u>(522)</u>
Net profit and total comprehensive income for the year		<u>110,118</u>	<u>596,161</u>

The notes set out on pages 10 to 22 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 2020

	Share Capital S\$	Accumulated Profits S\$	Total Equity S\$
Balance as at 01.01.2019	3,314,000	2,289,775	5,603,775
Total comprehensive income for the year	-	596,161	596,161
Balance as at 31.12.2019/01.01.2020	3,314,000	2,885,936	6,199,936
Total comprehensive income for the year	-	110,118	110,118
Balance as at 31.12.2020	3,314,000	2,996,054	6,310,054

The notes set out on pages 10 to 22 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 2020

	2020	2019
	S\$	S\$
Cash flows from operating activities		
Profit before taxation	119,740	596,683
Adjustments for:-		
Depreciation of plant and equipment	-	3,693
Fair value adjustments	(105,030)	(604,680)
Interest income	(3,105)	(4,553)
	<u>11,605</u>	<u>(8,857)</u>
Operating cash flows before changes in working capital		
Decrease in other receivables	1,051	5,865
Increase/(Decrease) in other payables and accruals	265	(100)
	<u>12,921</u>	<u>(3,092)</u>
Cash used in operations		
Income tax paid	(341)	-
	<u>12,580</u>	<u>(3,092)</u>
Net cash generated from/(used in) operating activities		
Cash flows from investing activity		
Interest received	3,448	4,405
	<u>3,448</u>	<u>4,405</u>
Net cash generated from investing activity		
Cash flows from financing activity		
Advance to holding company	(23,531)	-
	<u>(23,531)</u>	<u>-</u>
Net cash used in financing activity		
Net (decrease)/increase in cash and cash equivalents	(7,503)	1,313
Cash and cash equivalents at beginning of year	<u>337,444</u>	<u>336,131</u>
Cash and cash equivalents at end of year	<u>329,941</u>	<u>337,444</u>

The notes set out on pages 10 to 22 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

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 2985, Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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 Associate Professor Chew Suok Kai, 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 2020 are authorised for issue in accordance with a resolution of the directors on 23 March 2021.

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 2020. 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

The critical accounting estimates and assumptions used 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.

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:-

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the company measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Investment in debt instrument

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them. The company only has debt instrument at amortised cost.

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

Investment in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the company may irrevocably elect to present subsequent changes in fair value in other comprehensive income (OCI) which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the company's right to receive payments is established. For investments in equity instruments which the company has not elected to present subsequent changes in fair value in OCI, changes in fair value are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to the 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses (“ECL”) on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument. The company always recognises lifetime ECL for receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the company’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

e) 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 of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. 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.

Impairment losses are recognised in profit or loss.

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

f) 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.

g) Share Capital

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position 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 liabilities at initial recognition.

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

Subsequent measurement

Financial liabilities at amortised cost

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.

De-recognition

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

i) 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.

j) Revenue Recognition

Revenue is measured based on the consideration to which the company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenue Recognition (Continued)

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

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.

k) Government Grant

Government grant is recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

l) 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **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.

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 dollar 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.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

3. PLANT AND EQUIPMENT

	Computer Software S\$	Equipment, Furniture and Fittings S\$	Total S\$
Cost			
At 01.01.2019/31.12.2019/01.01.2020/ 31.12.2020	10,875	17,350	28,225
Accumulated Depreciation			
At 01.01.2019	7,250	17,282	24,532
Charge for the year	3,625	68	3,693
At 31.12.2019/01.01.2020/31.12.2020	10,875	17,350	28,225
Net Book Value			
At 31.12.2020	-	-	-
At 31.12.2019	-	-	-

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2020 S\$	2019 S\$
Quoted equities and others	5,970,572	5,865,542
Financial assets at fair value through profit or loss are denominated in following currencies:-		
Singapore dollar	5,969,326	5,864,274
United States dollar	1,246	1,268
	5,970,572	5,865,542

The investments are managed as a whole by an established fund manager.

5. OTHER RECEIVABLES

	2020 S\$	2019 S\$
GST receivable	-	1,051
Interest receivable	378	721
	378	1,772

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

6. CASH AND CASH EQUIVALENTS

	2020	2019
	S\$	S\$
Cash and bank balances	50,734	61,685
Fixed deposits	279,207	275,759
	<u>329,941</u>	<u>337,444</u>

The fixed deposits bear interest rate ranging at 0.31% to 1.5285% (2019: 1.4856% to 1.8%) per annum with the tenures of deposits up to twelve months.

7. SHARE CAPITAL

	No. of Share	2020 S\$	No. of Share	2019 S\$
Balance at beginning of year	3,314,000	3,314,000	3,314,000	3,314,000
Issuance during the year	-	-	-	-
Balance at end of year	<u>3,314,000</u>	<u>3,314,000</u>	<u>3,314,000</u>	<u>3,314,000</u>

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.

8. REVENUE

	2020	2019
	S\$	S\$
CPR course fees	4,280	7,392
Commission income	14,433	14,604
Healthcare course fees	13,420	27,200
	<u>32,133</u>	<u>49,196</u>

9. OTHER REVENUE

Fair value gain on financial assets at fair value through profit or loss	105,030	604,680
Interest income on bank deposits	3,105	4,553
Sundry income	-	180
Sale of masks and gowns	68,976	-
	<u>177,111</u>	<u>609,413</u>

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

10. PROFIT BEFORE TAXATION

	2020	2019
	S\$	S\$
Profit before taxation is arrived at after deducting the following items:-		
CPR course expenses	8,928	4,259
Depreciation of plant and equipment	-	3,693
Healthcare course expenses	14,244	22,570
Management fees	6,000	24,132
	<u>6,000</u>	<u>24,132</u>

11. TAXATION

Income tax expense:-		
- Current year	9,753	522
- Over provision in priors years	(131)	-
Tax expense	<u>9,622</u>	<u>522</u>

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:-

	2020	2019
	S\$	S\$
Profit before taxation	<u>119,740</u>	<u>596,683</u>
Tax expense calculated at a tax rate of 17%	20,356	101,436
Overprovision in prior year	(131)	-
Singapore statutory stepped income exemption	(10,603)	(1,373)
Unrecognised deferred tax assets at beginning of year	-	(99,541)
Tax expense	<u>9,622</u>	<u>522</u>

12. 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:-

	2020	2019
	S\$	S\$
<u>With holding entity</u>		
Management fee expenses	6,000	24,132
CPR course expenses	8,938	1,040
Healthcare course expenses	<u>9,393</u>	<u>10,416</u>

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

13. 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:-

	2020	2019
	S\$	S\$
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:-		
Quoted securities	5,970,572	5,865,542
Amortised cost:-		
Amount due from holding company	23,531	-
Other receivables	378	721
Cash and cash equivalents	329,941	337,444
	<u>6,324,422</u>	<u>6,203,707</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Accruals	4,300	4,300
	<u>4,300</u>	<u>4,300</u>

14. 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

15. 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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit Risk

The company has no concentration of credit risk.

Bank balances are deposited in financial institution with high credit ratings.

The carrying amount of financial assets recorded in the financial statements, net of any provision for losses, represents the company's maximum exposure to credit risk without taking into account of the value of any collateral or other security obtained.

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 fund manager monitors share prices on a daily basis.

16. 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)

SINGAPORE MEDICAL ASSOCIATION PTE LTD
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

16. FAIR VALUE (Continued)

The quoted securities instruments at fair value of S\$5,970,572 (2019: S\$5,865,542) 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.

17. 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 2021. The directors does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DETAILED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2020

	2020	2019
	S\$	S\$
Income		
CPR course fees	4,280	7,392
Commission income	14,433	14,604
Healthcare course fees	13,420	27,200
Fair value gain on financial assets at fair value through profit or loss	105,030	604,680
Interest income on bank deposits	3,105	4,553
Sundry income	-	180
Sale of masks and gowns	68,976	-
	<u>209,244</u>	<u>658,609</u>
Less: Expenditure		
Auditors' remuneration	3,000	3,000
Bank charges	148	102
CPR course expenses	8,928	4,259
Depreciation of plant and equipment	-	3,693
General expenses	435	260
Healthcare course expenses	14,244	22,570
Management fees	6,000	24,132
Mask, gloves and gowns	54,859	2,400
Postage and courier	-	30
Printing and stationery	590	280
Secretarial fees	600	500
Tax fee	700	700
	<u>(89,504)</u>	<u>(61,926)</u>
Profit before taxation	<u>119,740</u>	<u>596,683</u>

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 2020

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

TRUSTEE COMMITTEE

DR LEE PHENG SOON

CHAIRMAN

A/PROF CHEONG PAK YEAN

SECRETARY

DR TAN YEW GHEE

TREASURER

DR TAN KOK SOO

MEMBER

PROF LOW CHENG HOCK

MEMBER

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT BY THE TRUSTEES

In the opinion of the trustees,

- (a) 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 2020 and the financial performance, changes in fund and cash flows of The Fund for the year ended on that date; and
- (b) 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.

The trustees have, on the date of this statement, authorised these financial statements for issue.

On behalf of the trustees,

.....
DR LEE PHENG SOON
Chairman

.....
A/PROF CHEONG PAK YEAN
Secretary

.....
DR TAN YEOW GHEE
Treasurer

Singapore, 23 March 2021



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 2020, 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 2020 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 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 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 intend to liquidate The Fund or to cease operations, or have 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 of 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, 23 March 2021

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December 2020

	Note	2020 S\$	2019 S\$
ASSET			
Current asset			
Cash and cash equivalents		<u>20,209</u>	<u>20,299</u>
Total asset		<u>20,209</u>	<u>20,299</u>
FUND			
Capital fund	3	21,513	21,513
Accumulated surplus		<u>(1,304)</u>	<u>(1,304)</u>
Total funds		<u>20,209</u>	<u>20,209</u>
LIABILITY			
Current liability			
Other payable	4	<u>-</u>	<u>90</u>
Total current liability		<u>-</u>	<u>90</u>
Total equity and liability		<u>20,209</u>	<u>20,299</u>

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 2020

	2020	2019
	S\$	S\$
Revenue	-	-
Less: Expenditure		
Bank charges	-	(1)
Donation	-	(57,000)
Deficit before taxation	-	(57,001)
Less: Taxation	-	-
Net deficit and total comprehensive loss for the year	-	(57,001)

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.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF CHANGES IN FUND

For the year ended 31 December 2020

	Capital fund S\$	Accumulated surplus S\$	Total equity S\$
Balance as at 01.01.2019	21,513	55,697	77,210
Total comprehensive loss for the year	-	(57,001)	(57,001)
Balance as at 31.12.2019/01.01.2020	21,513	(1,304)	20,209
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2020	21,513	(1,304)	20,209

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 2020

	2020	2019
	S\$	S\$
Cash flows from operating activities		
Deficit before taxation	-	(57,001)
Changes in working capital:-		
(Decrease)/Increase in other payable	(90)	90
	<u>(90)</u>	<u>90</u>
Operating cash flows before changes in working capital	<u>(90)</u>	<u>(56,911)</u>
Net decrease in cash and cash equivalents	(90)	(56,911)
Cash and cash equivalents at beginning of year	<u>20,299</u>	<u>77,210</u>
Cash and cash equivalents at end of year	<u>20,209</u>	<u>20,299</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

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 2985 Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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 2020. 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 subject to an insignificant risk of changes in value.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets**

Initial recognition and measurement

Financial assets are recognised on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus, transaction costs that are directly attributable to the acquisition of the financial asset.

Subsequent measurement

Amortised cost

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

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.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised on the statement of financial position 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 liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and 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 recognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

3. CAPITAL FUND

	2020 S\$	2019 S\$
Balance at beginning of year and end of year	<u>21,513</u>	<u>21,513</u>

4. OTHER PAYABLE

Other payable represents amount due to related party with common key management personnel.

5. RELATED PARTY TRANSACTIONS

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

	2020 S\$	2019 S\$
Donation expense	<u>-</u>	<u>57,000</u>

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2020

6. 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 institution. 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.

7. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2020	2019
	S\$	S\$
Asset:		
<u>Financial asset</u>		
At amortised cost:-		
Cash and cash equivalents	20,209	20,299
Total financial asset	<u>20,209</u>	<u>20,299</u>
Liability:		
<u>Financial liability</u>		
At amortised cost:-		
Other payable	-	90
Total financial liability	<u>-</u>	<u>90</u>

8. 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.

9. 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 2021. 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.