

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

**AUDITED FINANCIAL STATEMENTS AND
OTHER INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**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

INDEX	Page
Statement by the Association's Council Members	1
Independent Auditor's Report	2 - 4
Statements of Financial Position	5
Statements of Profit or Loss and Other Comprehensive Income	6
Statements of Expenditure	7
Statements of Changes in Funds	8
Consolidated Statement of Cash Flows	9
Notes to the Financial Statements	10 - 33

**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 properly drawn up in accordance with the provisions of the Societies Act 1966 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 2022 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.

The council members approved and authorised these financial statements for issue.

On behalf of the council members,

DR TAN YIA SWAM
President

DR NG CHEW LIP
Honorary Secretary

DR LEE HSIEN CHIEH DANIEL
Honorary Treasurer

27 March 2023



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS 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 2022, 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 1966 (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 2022 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 MEMBERS 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 MEMBERS 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:

- (a) the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the association been properly kept in accordance with those Regulations; and
- (b) the accounting and other records required to be kept by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Companies Act 1967.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 27 March 2023

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
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 2022

		Group		Association	
		2022	2021	2022	2021
ASSETS	Note	S\$	S\$	S\$	S\$
Non-current assets					
Intangible asset	3	24,340	48,670	24,340	48,670
Property, plant and equipment	4	2,328	42,000	2,328	42,000
Investment in subsidiary	5	-	-	3,314,000	3,314,000
Right-of-use assets	6	142,331	284,663	142,331	284,663
Total non-current assets		168,999	375,333	3,482,999	3,689,333
Current assets					
Financial assets at fair value through profit or loss	7	6,025,937	7,074,466	-	-
Trade receivables	8	303,305	328,655	303,305	355,355
Subscription in arrears	9	124,209	136,169	124,209	136,169
Other receivables, deposits and prepayments	10	56,956	43,544	56,437	42,976
Cash and bank balances	11	3,425,115	3,305,234	3,254,236	2,930,802
Total current assets		9,935,522	10,888,068	3,738,187	3,465,302
Total assets		10,104,521	11,263,401	7,221,186	7,154,635
FUNDS AND LIABILITIES					
Accumulated fund		9,026,967	9,806,563	6,150,600	5,886,682
Deferred capital grant	12	16,669	33,335	16,669	33,335
Total funds		9,043,636	9,839,898	6,167,269	5,920,017
Non-current liability					
Lease liabilities	14	-	145,014	-	145,014
Current liabilities					
Other payables and accruals	13	905,460	967,950	898,492	947,289
Provision of taxation		10,411	168,224	10,411	-
Lease liabilities	14	145,014	142,315	145,014	142,315
Total current liabilities		1,060,885	1,278,489	1,053,917	1,089,604
Total liabilities		1,060,885	1,423,503	1,053,917	1,234,618
Total funds and liabilities		10,104,521	11,263,401	7,221,186	7,154,635

The notes set out on pages 10 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

		Group		Association	
	Note	2022	2021	2022	2021
		S\$	S\$	S\$	S\$
Income					
Amortisation of deferred capital grant		16,666	20,517	16,666	20,517
AST course fees		301,000	316,400	301,000	316,400
Centre for ME and professionalism income		144,491	90,182	144,491	90,182
Contributions		765,660	731,157	751,808	717,439
Fair value gain on financial assets at fair value through profit or loss (FVTPL)		-	1,103,894	-	-
Gain on disposal of property, plant and equipment		206	-	206	-
Government childcare leave		1,605	761	1,605	761
Healthcare course fees		6,208	11,700	-	-
Interest income on bank deposits		3,021	3,649	1,659	2,341
IRAS CPF Transition offset government payment		362	-	362	-
IRAS enabling employment credit		1,761	1,277	1,761	1,277
IRAS senior employment credit		-	303	-	303
Jobs growth incentive		1,907	-	1,907	-
Jobs support scheme		-	87,907	-	87,907
Make-up pay in-camp training		-	953	-	953
Management fee income		55,200	43,404	61,200	69,684
Medical Practice Management income		-	6,350	-	6,350
Medik Awas income		1,860	4,430	1,860	4,430
Members' welfare event income		22,818	-	22,818	-
MSF - Government paid leave		11,414	-	11,414	-
Rebate income		68,030	91,728	68,030	91,728
SMA News Event		31,304	-	31,304	-
SMA Newsletter publication		622,255	731,296	622,255	731,296
SMA talks and seminars		-	500	-	500
SMA Dinner and Dance		38,692	-	38,692	-
SMA Football		7,800	-	7,800	-
SMJ publication		22,358	54,748	22,358	54,748
Special employment credit		-	715	-	715
Subscriptions		727,394	747,492	727,394	747,492
Wage credit scheme		18,895	12,650	18,895	12,650
Work-life grant		-	5,000	-	5,000
		<u>2,870,907</u>	<u>4,067,013</u>	<u>2,855,485</u>	<u>2,962,673</u>
Expenditure		<u>(3,640,092)</u>	<u>(2,548,995)</u>	<u>(2,581,156)</u>	<u>(2,536,706)</u>
(Deficit)/ Surplus before taxation		(769,185)	1,518,018	274,329	425,967
Taxation	15	(10,411)	(168,224)	(10,411)	-
Net (deficit)/ surplus and total comprehensive income for the year		<u>(779,596)</u>	<u>1,349,794</u>	<u>263,918</u>	<u>425,967</u>

The notes set out on pages 10 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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

**STATEMENTS OF EXPENDITURE
For the year ended 31 December 2022**

	2022	Group 2021	2022	Association 2021
	S\$	S\$	S\$	S\$
Advertisement	2,246	1,132	2,246	1,132
AST course expenses	56,475	59,753	56,475	59,753
Auditors' remuneration	11,200	11,200	8,000	8,000
Bank charges	5,698	7,470	5,445	7,316
Centre for ME and professionalism expenses	36,451	25,098	36,451	25,098
CPF and SDL	215,233	223,456	215,233	223,456
Depreciation of intangible asset	24,330	24,330	24,330	24,330
Depreciation of property, plant and equipment	61,760	56,149	61,760	56,149
Depreciation of right-of-use assets	142,332	142,332	142,332	142,332
Entertainment	1,518	178	1,518	178
Fair value loss on financial assets at fair value through profit or loss (FVTPL)	1,048,529	-	-	-
General expenses	630	586	230	186
Healthcare course expenses	2,429	4,435	-	-
Insurance	21,982	25,184	21,982	25,184
Interest	3,951	6,599	3,951	6,599
Inter-professional games	-	1	-	1
Masks, gloves and gowns	2,400	2,400	-	-
Medical expenses	9,403	7,430	9,403	7,430
Medical Practice Management expenses	16	3	16	3
Medik Awas expenses	158	961	158	961
Meeting expenses	185	10	185	10
Member's welfare	54,340	25,718	54,340	25,718
Net allowance for credit losses	66,150	68,850	66,150	68,850
Office refreshments	412	251	412	251
Postage and couriers	9,107	8,591	9,107	8,591
Printing and stationery	10,109	10,536	9,684	10,136
Professional fee	25,830	44,330	25,830	44,330
Repairs and maintenance	25,063	7,843	25,063	7,843
Secretarial fees	600	600	-	-
SMA Dinner expenses	55,793	-	55,793	-
SMA football expenses	8,487	-	8,487	-
SMA News Event expenses	5,473	-	5,473	-
SMA Newsletter expenses	153,028	166,989	153,028	166,989
SMA talks and seminar expenses	681	-	681	-
SMJ publication expenses	93,758	70,780	93,758	70,780
Sponsorship	25,000	73,880	25,000	73,880
Staff salaries and bonuses	1,425,179	1,442,242	1,425,179	1,442,242
Staff training	-	6,078	-	6,078
Staff vacation pay	(12,335)	(9,409)	(12,335)	(9,409)
Staff welfare	4,933	8,256	4,933	8,256
Subscriptions	3,617	6,365	3,617	6,365
Tax fee	700	700	-	-
Telephone and fax	13,107	12,775	13,107	12,775
Transportation	882	4,913	882	4,913
Travelling	23,252	-	23,252	-
	<u>3,640,092</u>	<u>2,548,995</u>	<u>2,581,156</u>	<u>2,536,706</u>

The notes set out on pages 10 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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

**STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2022**

	Note	Accumulated fund S\$	Deferred capital grant S\$	Total S\$
<u>GROUP</u>				
Balance as at 01.01.2021		8,456,769	3,852	8,460,621
Amortisation for the year	12	-	29,483	29,483
Total comprehensive income for the year		1,349,794	-	1,349,794
Balance as at 31.12.2021 and 01.01.2022		9,806,563	33,335	9,839,898
Amortisation for the year	12	-	(16,666)	(16,666)
Total comprehensive loss for the year		(779,596)	-	(779,596)
Balance as at 31.12.2022		9,026,967	16,669	9,043,636
<u>ASSOCIATION</u>				
Balance as at 01.01.2021		5,460,715	3,852	5,464,567
Addition (net) for the year	12	-	29,483	29,483
Total comprehensive income for the year		425,967	-	425,967
Balance as at 31.12.2021 and 01.01.2022		5,886,682	33,335	5,920,017
Amortisation for the year	12	-	(16,666)	(16,666)
Total comprehensive income for the year		263,918	-	263,918
Balance as at 31.12.2022		6,150,600	16,669	6,167,269

The notes set out on pages 10 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2022**

	2022	2021
Note	S\$	S\$
Cash flows from operating activities		
(Deficit)/ Surplus before taxation	(769,185)	1,518,018
Adjustments for:-		
Depreciation of intangible asset	24,330	24,330
Depreciation of property, plant and equipment	61,760	56,149
Depreciation of right-of-use assets	142,332	142,332
Gain on disposal of property, plant and equipment	(206)	
Allowance for credit losses	70,752	73,669
Fair value adjustment	1,048,529	(1,103,894)
Interest expense	3,951	6,599
Interest income	(3,021)	(3,649)
Amortisation of deferred capital grant	(16,666)	(20,517)
Operating cash flow before working capital changes:-	562,576	693,037
(Increase)/ Decrease in trade and other receivables	(46,587)	53,887
(Decrease)/ Increase in other payables and accruals	(62,490)	101,602
Cash generated from operations	453,499	848,526
Income tax paid	(168,224)	(9,803)
Net cash generated from operating activities	285,275	838,723
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	206	-
Purchase of plant and equipment	(22,088)	(81,293)
Interest received	2,754	3,775
Fixed deposit pledged	-	(25)
Net cash used in investing activities	(19,128)	(77,543)
Cash flows from financing activities		
Deferred capital grant received	-	50,000
Interest paid	(3,951)	(6,599)
Payment of principal portion of lease liabilities	(142,315)	(139,666)
Net cash used in financing activities	(146,266)	(96,265)
Net increase in cash and cash equivalents	119,881	664,915
Cash and cash equivalents at beginning of year	3,256,160	2,591,245
Cash and cash equivalents at end of year	11 3,376,041	3,256,160

The notes set out on pages 10 to 33 form an integral part of and should be read in conjunction with this set of financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

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 5 to the financial statements.

The financial statements for the year ended 31 December 2022 are authorised for issue by the Council of the association on 27 March 2023.

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 2022. 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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

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

Critical assumptions used and accounting estimates in applying accounting policies

Income tax

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

Useful lives of 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 4 to the financial statements.

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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

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.

d) Plant and Equipment and Depreciation

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

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

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

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

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

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Plant and Equipment and Depreciation (Continued)

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) Intangible Asset

SMA website revamp and integrating membership portal costs are recognised as an asset to the extent that it's expected that such asset will generate future economic benefits. Such costs are subsequently amortised on a straight-line basis over their useful lives of 3 years. The amortisation period and amortisation method of intangible assets are reviewed at the end of each reporting period. The effects of any revision are recognised in the profit or loss when the changes arise.

f) 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.

g) 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.

h) 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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

i) Impairment of Non-Financial Assets

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

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs 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

j) Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) Provisions

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

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

l) Contingencies

A contingent liability is:-

- a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the group; or
- b) a present obligation that arises from past events but is not recognised because:
 - i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - ii) The amount of the obligation cannot be measured with sufficient reliability.

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

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

m) Currency Translations

Functional and presentation currency

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

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) Currency Translations (Continued)

Transactions and balances

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

n) Leases

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.

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(i) to the financial statements.

The group’s right-of-use assets is disclosed Note 6 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) **Leases (Continued)**

As lessee (Continued)

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.

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 14 to the financial statements.

o) **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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Revenue Recognition (Continued)

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

Contributions are 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.

p) 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.

q) 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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Key Management Personnel

Key management personnel of the group are those having authority and responsibility for planning, directing and controlling the activities of the group. The council members are considered as key management personnel.

s) Employee Benefits

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

t) Employee Leave Entitlement

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

3. INTANGIBLE ASSET

	Group and Association Website S\$
Cost	
At 01.01.2021	-
Addition	<u>73,000</u>
At 31.12.2021/01.01.2022/31.12.2022	<u>73,000</u>
Accumulated depreciation	
At 01.01.2021	-
Charge for the year	<u>24,330</u>
At 31.12.2021/01.01.2022	24,330
Charge for the year	<u>24,330</u>
At 31.12.2022	<u>48,660</u>
Net Book Value	
At 31.12.2022	24,340
At 31.12.2021	<u>48,670</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

4. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	Computers S\$	Computer software S\$	Air Conditioners S\$	Equipment, furniture and fittings S\$	Renovations S\$	Total S\$
Cost						
At 01.01.2021	131,983	173,151	14,204	153,241	172,820	645,399
Additions	8,293	-	-	-	-	8,293
At 31.12.2021/01.01.2022	140,276	173,151	14,204	153,241	172,820	653,692
Additions	18,553	-	-	3,535	-	22,088
Disposal	(35,383)	-	-	(620)	-	(36,003)
At 31.12.2022	123,446	173,151	14,204	156,156	172,820	639,777
Accumulated Depreciation						
At 01.01.2021	131,983	168,151	14,204	136,458	104,747	555,543
Charge for the year	8,293	5,000	-	8,819	34,037	56,149
At 31.12.2021/01.01.2022	140,276	173,151	14,204	145,277	138,784	611,692
Charge for the year	18,553	-	-	9,171	34,036	61,760
Disposal	(35,383)	-	-	(620)	-	(36,003)
At 31.12.2022	123,446	173,151	14,204	153,828	172,820	637,449
Net Book Value						
At 31.12.2022	-	-	-	2,328	-	2,328
At 31.12.2021	-	-	-	7,964	34,036	42,000
Association						
Cost						
At 01.01.2021	131,983	162,276	14,204	135,891	172,820	617,174
Additions	8,293	-	-	-	-	8,293
At 31.12.2021/01.01.2022	140,276	162,276	14,204	135,891	172,820	625,467
Additions	18,553	-	-	3,535	-	22,088
Disposal	(35,383)	-	-	(620)	-	(36,003)
At 31.12.2022	123,446	162,276	14,204	138,806	172,820	611,552
Accumulated Depreciation						
At 01.01.2021	131,983	157,276	9,470	119,108	104,747	522,584
Charge for the year	8,293	5,000	4,734	8,819	34,037	60,883
At 31.12.2021/01.01.2022	140,276	162,276	14,204	127,927	138,784	583,467
Charge for the year	18,553	-	-	9,171	34,036	61,760
Disposal	(35,383)	-	-	(620)	-	(36,003)
At 31.12.2022	123,446	162,276	14,204	136,478	172,820	609,224
Net Book Value						
At 31.12.2022	-	-	-	2,328	-	2,328
At 31.12.2021	-	-	-	7,964	34,036	42,000

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

5. INVESTMENT IN SUBSIDIARY

	2022	Association 2021
	S\$	S\$
<u>Unquoted equity shares, at cost</u>		
Balance at beginning of the year and end of the year	<u>3,314,000</u>	<u>3,314,000</u>

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 A/Prof Chew Suok Kai, A/Prof Cheong Pak Yean (effective from 17 June 2022) and Prof 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.

6. RIGHT-OF-USE ASSETS

	Group and Association	
	2022	2021
	S\$	S\$
Represented by right-of-use of:		
- Office premises	426,995	273,826
- Copier machine	-	12,380
	<u>426,995</u>	<u>286,206</u>
Written off during the year	-	(286,206)
Addition during the year - Office premises	-	426,995
	<u>426,995</u>	<u>426,995</u>
Less: Accumulated depreciation		
- Balance at beginning of the year	(142,332)	(286,206)
- Written off during the year	-	286,206
- Addition during the year	(142,332)	(142,332)
	<u>142,331</u>	<u>284,663</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022 S\$	Group 2021 S\$
Quoted equities and others	<u>6,025,937</u>	<u>7,074,466</u>

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

	2022 S\$	Group 2021 S\$
Singapore dollar	6,024,672	7,073,195
United States dollar	<u>1,265</u>	<u>1,271</u>
	<u>6,025,937</u>	<u>7,074,466</u>

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

8. TRADE RECEIVABLES

	2022 S\$	Group 2021 S\$	2022 S\$	Association 2021 S\$
Trade receivables				
- Subsidiary	-	-	-	26,700
- Third parties	<u>303,305</u>	<u>328,655</u>	<u>303,305</u>	<u>328,655</u>
	<u>303,305</u>	<u>328,655</u>	<u>303,305</u>	<u>355,355</u>

Trade receivables are non-interest bearing and are generally on 0-60 days (2021: 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:-

	2022 S\$	Group 2021 S\$	2022 S\$	Association 2021 S\$
Not past due	166,833	215,326	166,833	242,026
Past due 1 - 3 months	122,654	97,292	122,654	97,292
Past due 3 - 6 months	13,812	10,900	13,812	10,900
Over 6 months	<u>6</u>	<u>5,137</u>	<u>6</u>	<u>5,137</u>
	<u>303,305</u>	<u>328,655</u>	<u>303,305</u>	<u>355,355</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

9. SUBSCRIPTIONS IN ARREARS

	Group and Association	
	2022	2021
	S\$	S\$
Subscriptions in arrears	194,961	209,838
Less: Allowance for credit losses	<u>(70,752)</u>	<u>(73,669)</u>
	<u>124,209</u>	<u>136,169</u>
Movements of allowance for credit losses:-		
Balance at beginning of year	73,669	111,997
Addition during the year	70,752	73,669
Allowance written off	<u>(73,669)</u>	<u>(111,997)</u>
Balance at end of year	<u>70,752</u>	<u>73,669</u>

10. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
GST receivable	-	316	-	-
Other receivable	600	-	600	-
Fixed deposit interest receivable	519	252	-	-
Deposits	30,853	38,621	30,853	38,621
Prepayments	<u>24,984</u>	<u>4,355</u>	<u>24,984</u>	<u>4,355</u>
	<u>56,956</u>	<u>43,544</u>	<u>56,437</u>	<u>42,976</u>

11. CASH AND BANK BALANCES

Cash and bank balances	1,770,479	2,549,640	1,703,624	2,455,849
Fixed deposits	<u>1,654,636</u>	<u>755,594</u>	<u>1,550,612</u>	<u>474,953</u>
	3,425,115	3,305,234	3,254,236	2,930,802
Less: Fixed deposit pledged	<u>(49,074)</u>	<u>(49,074)</u>	<u>(49,074)</u>	<u>(49,074)</u>
Cash and cash equivalents	<u>3,376,041</u>	<u>3,256,160</u>	<u>3,205,162</u>	<u>2,881,728</u>

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

The fixed deposits bear interest rate at 3.1% to 4.1% (2021: 0.05% to 1.4292%) per annum and mature within 183 days to 368 days (2021: 91 days to 368 days).

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

12. DEFERRED CAPITAL GRANT

	Group and Association	
	2022	2021
	S\$	S\$
Balance at beginning of year	33,335	3,852
Additions during the year	-	50,000
Less: Amortisation for the year	<u>(16,666)</u>	<u>(20,517)</u>
Balance at end of year	<u>16,669</u>	<u>33,335</u>

The deferred capital grants are related to grants provided by Enterprise Singapore and e2i for certain plant and equipment and the website of the association. The deferred capital grants are amortised over 3 years to compensate depreciation of plant and equipment and intangible asset.

13. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Other payables	249,417	97,037	249,289	80,876
Accruals	127,556	300,659	123,056	296,159
Contract liabilities	<u>528,487</u>	<u>570,254</u>	<u>526,147</u>	<u>570,254</u>
	<u>905,460</u>	<u>967,950</u>	<u>898,492</u>	<u>947,289</u>

Contract liabilities

Revenue recognised in 2022 which was included in the contract liabilities balance at beginning of the year was S\$158,654 (2021: S\$133,124)

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2022 is S\$528,487 (2021: S\$570,254). The group expects to recognise revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as below:-

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
Within one year	184,687	158,654	182,347	158,654
Within two to five years	253,800	282,800	253,800	282,800
More than 5 years	<u>90,000</u>	<u>128,800</u>	<u>90,000</u>	<u>128,800</u>
	<u>528,487</u>	<u>570,254</u>	<u>526,147</u>	<u>570,254</u>

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

14. LEASES – Group and Association

The group as a lessee

The group has lease contracts for its leasehold office premises. 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 liabilities

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

	1 January 2022 S\$	Non-cash changes		Reclassification S\$	31 December 2022 S\$
		Cash flows S\$	Accretion of Interest S\$		
Lease liabilities:-					
- Current	142,315	(146,266)	3,951	145,014	145,014
- Non-current	145,014	-	-	(145,014)	-
	287,329	(146,266)	3,951	-	145,014

	1 January 2021		Non-cash changes		Reclassification S\$	31 December 2021 S\$
	Additions S\$		Cash flows S\$	Accretion of Interest S\$		
Lease liabilities:-						
- Current	-	139,666	(146,265)	6,599	142,315	142,315
- Non-current	-	287,329	-	-	(142,315)	145,014
	-	426,995	(146,265)	6,599	-	287,329

(b) Amount recognised in profit or loss

	2022 S\$	2021 S\$
Depreciation of right-of-use assets	142,332	142,332
Interest expense on lease liabilities	3,951	6,599
Total amount recognised in profit or loss	146,283	148,931

(c) Total cash outflows

The group had total cash outflows for leases of S\$146,266 (2021: S\$146,265).

(d) Lease options

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

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

15. TAXATION

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
<u>Income tax expense:-</u>				
- Current year	10,411	168,224	10,411	-

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

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
(Deficit)/ Surplus before taxation	(769,185)	1,518,018	274,329	425,967
Tax (benefit)/ expenses calculated at a tax rate of 17%	(130,761)	258,063	46,636	72,414
Enhanced tax allowance		-		-
Expenses not tax deductible	5,886	15,176	5,886	15,176
Revenue not taxable	-	(17,145)		(17,145)
Singapore statutory stepped income exemption	(11,261)	(17,425)	(11,261)	-
Tax incentive	(8,500)	(30,940)	(8,500)	(30,940)
Unrecognised deferred tax assets at beginning of year	(18,269)	(53,949)	(18,269)	(53,949)
Unrecognised deferred tax assets at end of year	177,397	18,269		18,269
Other	(4,081)	(3,825)	(4,081)	(3,825)
Tax expense	10,411	168,224	10,411	-

As at the end of the reporting period, the group had unutilised donation and unutilised losses of approximately S\$NIL and S\$1,043,000 (2021: S\$166,000 and S\$NIL) respectively and the association had unutilised capital allowance and unutilised donation of approximately S\$NIL and S\$NIL (2021: S\$NIL and S\$107,500) 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
(UEN: S61SS0168E)
AND ITS SUBSIDIARY**

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

16. RELATED PARTY TRANSACTIONS

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

	2022	Group 2021	2022	Association 2021
	S\$	S\$	S\$	S\$
Donation	20,000	72,800	20,000	72,800
Management fee income	55,200	43,404	61,200	69,684

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

17. 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.

18. 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.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

18. 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 or impaired is disclosed in Note 8 and Note 9 to the financial statements.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

18. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Financial assets that are neither past due nor impaired

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

Price Risk

The group is exposed to equity securities price risk arising from the investments held by the group which are classified in the statement of financial position as financial assets at fair value through profit or loss. To manage the price risk, the group through its fund manager monitors share price regularly.

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			
	2022			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Other payables and accruals	376,973	376,973	376,973	-
Lease liabilities	145,014	146,266	146,266	-
	2021			
	Carrying amount S\$	Total contractual undiscounted cash flow S\$	Within 12 months or on demand S\$	Between 2 to 5 years S\$
Other payables and accruals	397,696	397,692	397,696	-
Lease liabilities	287,329	292,531	146,266	146,265

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

18. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

	Association			
	2022			
	Total	Within 12	Between	
Carrying amount	contractual undiscouted cash flow	months or on demand	2 to 5 years	S\$
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	372,345	372,345	372,345	-
Lease liabilities	145,014	146,266	146,266	-
	2021			
	Total	Within 12	Between	
Carrying amount	contractual undiscouted cash flow	months or on demand	2 to 5 years	S\$
S\$	S\$	S\$	S\$	S\$
Other payables and accruals	377,035	377,035	377,035	-
Lease liabilities	287,329	292,531	146,266	146,265

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.

19. 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\$6,025,937 (2021: S\$7,074,466) is based on quoted price which is included in Level 1.

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

19. 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 and due to the short-term nature of these financial instruments.

20. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Group		Association	
	2022	2021	2022	2021
	S\$	S\$	S\$	S\$
<u>Financial assets</u>				
Financial assets at fair value through profit or loss:-				
Quoted securities	6,025,937	7,074,466	-	-
Amortised cost:-				
Trade receivables	303,305	328,655	303,305	355,355
Subscription in arrears	124,209	136,169	124,209	136,169
Other receivables and deposits	31,972	38,873	31,453	38,621
Cash and bank balances	3,425,115	3,305,234	3,254,236	2,930,802
Total financial assets	<u>9,910,538</u>	<u>10,883,397</u>	<u>3,713,203</u>	<u>3,460,947</u>
<u>Financial liabilities</u>				
Amortised cost:-				
Other payables and accruals	357,895	368,913	353,358	348,251
Lease liabilities	145,014	287,329	145,014	287,329
Total financial liabilities	<u>502,909</u>	<u>656,242</u>	<u>498,372</u>	<u>635,580</u>

21. 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 2023. 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 INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

**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 2022.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

- i) the financial statements of the company are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2022, 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
TAN SZE WEE
WONG TIEN HUA
CHIE ZHI YING
NG CHEW LIP
TAN YIA SWAM
LEE YEE MUN

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 1967, 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

27 March 2023

WONG TIEN HUA
Director



**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 2022, 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 1967 (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 2022 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, 27 March 2023

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSETS			
Current assets			
Financial assets at fair value through profit or loss	4	6,025,937	7,074,466
Other receivables	5	519	568
Cash and cash equivalents	6	<u>170,879</u>	<u>347,732</u>
Total assets		<u>6,197,335</u>	<u>7,422,766</u>
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	7	3,314,000	3,314,000
Accumulated profits		<u>2,876,367</u>	<u>3,919,881</u>
Total equity		6,190,367	7,233,881
Current liabilities			
Accruals and other payables	8	4,628	20,661
Contract liabilities	9	2,340	-
Provision for taxation		-	168,224
Total current liabilities		<u>6,968</u>	<u>188,885</u>
Total equity and liabilities		<u>6,197,335</u>	<u>7,422,766</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 PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2022

	Note	2022 S\$	2021 S\$
Revenue	10	20,060	25,418
Other revenue	11	1,362	1,105,202
Operating expenses	12	<u>(1,064,936)</u>	<u>(38,569)</u>
(Loss)/Profit before taxation		(1,043,514)	1,092,051
Taxation	13	<u>-</u>	<u>(168,224)</u>
Net (loss)/profit and total comprehensive (loss)/income for the year		<u>(1,043,514)</u>	<u>923,827</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 2022

	Share Capital S\$	Accumulated Profits S\$	Total Equity S\$
Balance as at 01.01.2021	3,314,000	2,996,054	6,310,054
Total comprehensive income for the year	-	923,827	923,827
Balance as at 31.12.2021/01.01.2022	3,314,000	3,919,881	7,233,881
Total comprehensive loss for the year	-	(1,043,514)	(1,043,514)
Balance as at 31.12.2022	3,314,000	2,876,367	6,190,367

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 2022

	2022	2021
	S\$	S\$
Cash flows from operating activities		
(Loss)/Profit before taxation	(1,043,514)	1,092,051
Adjustments for:-		
Fair value adjustments	1,048,529	(1,103,894)
Interest income	(1,362)	(1,308)
	<u>3,653</u>	<u>(13,151)</u>
Operating cash flows before changes in working capital		
Decrease/(Increase) in other receivables	316	(316)
(Decrease)/Increase in other payables and accruals	(16,033)	16,096
Increase in contract liabilities	2,340	-
	<u>(9,724)</u>	<u>2,629</u>
Cash (used in)/generated from operations		
Income tax paid	(168,224)	(9,803)
	<u>(177,948)</u>	<u>(7,174)</u>
Net cash used in operating activities		
Cash flows from investing activity		
Interest received	1,095	1,434
	<u>1,095</u>	<u>1,434</u>
Net cash generated from investing activity		
Cash flows from financing activity		
Repayment from holding company	-	23,531
	<u>-</u>	<u>23,531</u>
Net cash generated from financing activity		
Net (decrease)/increase in cash and cash equivalents	(176,853)	17,791
Cash and cash equivalents at beginning of year	<u>347,732</u>	<u>329,941</u>
Cash and cash equivalents at end of year	<u>170,879</u>	<u>347,732</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 2022

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

1. GENERAL

Singapore Medical Association Pte Ltd (the “company”) is incorporated and domiciled 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 A/Prof Chew Suok Kai, A/Prof Cheong Pak Yean (effective from 17 June 2022) and Prof 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 2022 are authorised for issue in accordance with a resolution of the directors on 27 March 2023.

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 2022. 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 2022

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Financial Liabilities (Continued)

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.

Derecognition

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.

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.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Revenue Recognition (Continued)

Contribution 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.

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.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) **Taxation (Continued)**

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.

3. PLANT AND EQUIPMENT

	Computer Software S\$	Equipment, Furniture and Fittings S\$	Total S\$
Cost			
At 01.01.2021/31.12.2021/01.01.2022/ 31.12.2022	10,875	17,350	28,225
Accumulated Depreciation			
At 01.01.2021/31.12.2021/01.01.2022/ 31.12.2022	10,875	17,350	28,225
Carrying Amount			
At 31.12.2022	-	-	-
At 31.12.2021	-	-	-

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2022	2021
	S\$	S\$
Quoted equities and others	<u>6,025,937</u>	<u>7,074,466</u>
Financial assets at fair value through profit or loss are denominated in following currencies:-		
Singapore dollar	6,024,672	7,073,195
United States dollar	<u>1,265</u>	<u>1,271</u>
	<u>6,025,937</u>	<u>7,074,466</u>

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

5. OTHER RECEIVABLES

	2022	2021
	S\$	S\$
GST receivable	-	316
Interest receivable	<u>519</u>	<u>252</u>
	<u>519</u>	<u>568</u>

6. CASH AND CASH EQUIVALENTS

Cash and bank balances	66,855	67,091
Fixed deposits	<u>104,024</u>	<u>280,641</u>
	<u>170,879</u>	<u>347,732</u>

The fixed deposits bear interest rate ranging at 0.29% to 3.2% (2021: 0.29% to 0.65%) per annum with the tenures of deposits up to six months.

7. SHARE CAPITAL

	No. of	2022	No. of	2021
	Share	S\$	Share	S\$
Balance at beginning of year/ 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.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

8. ACCRUALS AND OTHER PAYABLES

	2022	2021
	S\$	S\$
Accruals	4,500	4,500
Other payables	37	16,161
GST payable	91	-
	<u>4,628</u>	<u>20,661</u>

9. CONTRACT LIABILITIES

Contract liabilities relate to the company's obligation to conduct courses to customers for which the company has received advances from customers. Contract liabilities are recognised when the courses are conducted. The company expects to recognised revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligation within a year after the financial year.

10. REVENUE

	2022	2021
	S\$	S\$
Healthcare course fees	6,208	11,700
Contribution	13,852	13,718
	<u>20,060</u>	<u>25,418</u>

11. OTHER REVENUE

Fair value gain on financial assets at fair value through profit or loss	-	1,103,894
Interest income on bank deposits	1,362	1,308
	<u>1,362</u>	<u>1,105,202</u>

12. OPERATING EXPENSES

Operating expenses included:-

Fair value loss on financial assets at fair value through profit or loss	1,048,529	-
Healthcare course expenses	2,429	24,715
Management fees	6,000	6,000
	<u>1,056,958</u>	<u>30,715</u>

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

13. TAXATION

	2022	2021
	S\$	S\$
Income tax expense:-		
- Current year	-	168,224

The tax (benefit)/ 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 (loss)/ profit before taxation due to the following factors:-

	2022	2021
	S\$	S\$
(Loss)/Profit before taxation	(1,043,514)	1,092,051
Tax (benefit)/expense calculated at a tax rate of 17%	(177,397)	185,649
Singapore statutory stepped income exemption	-	(17,425)
Unrecognised deferred tax assets at end of year	177,397	-
Tax expense	-	168,224

As at the end of the reporting period, the company had unabsorbed tax losses amounting to S\$1,043,500 (2021: S\$NIL) available for off-setting against future taxable profit of the company subject to the compliance with the relevant sections of the Singapore Income Tax Act and agreement with the tax authorities. No deferred tax asset is recognised due to uncertainty of its recovery.

14. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2022	2021
	S\$	S\$
<u>With holding entity</u>		
Management fee expenses	6,000	6,000
Healthcare course expenses	-	20,280

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

15. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2022	2021
	S\$	S\$
<u>Financial assets</u>		
Financial assets at fair value through profit or loss:-		
Quoted securities	6,025,937	7,074,466
Amortised cost:-		
Other receivables	519	252
Cash and cash equivalents	170,879	347,732
Total financial assets	<u>6,197,335</u>	<u>7,422,450</u>
<u>Financial liabilities</u>		
Amortised cost:-		
Accruals and other payables	4,537	20,661
Total financial liabilities	<u>4,537</u>	<u>20,661</u>

16. CAPITAL MANAGEMENT

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

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

The company has no externally imposed capital requirements.

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

17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The company does not have written financial risk management policies and guidelines which set out its 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 2022

17. 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 regularly.

18. FAIR VALUE

Fair value of financial instruments carried at fair value

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

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

The quoted securities instruments at fair value of S\$6,025,937 (2021: S\$7,074,466) is based on quoted price which is included in Level 1.

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

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 due to the short-term nature of these financial instruments.

19. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2023. 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 2022

	2022	2021
	S\$	S\$
Income		
Healthcare course fees	6,208	11,700
Fair value gain on financial assets at fair value through profit or loss	-	1,103,894
Interest income on bank deposits	1,362	1,308
Contribution	13,852	13,718
	<u>21,422</u>	<u>1,130,620</u>
Less: Expenditure		
Auditors' remuneration	3,200	3,200
Bank charges	253	154
Fair value loss on financial assets at fair value through profit or loss	1,048,529	-
General expenses	400	400
Healthcare course expenses	2,429	24,715
Management fees	6,000	6,000
Mask, gloves and gowns	2,400	2,400
Printing and stationery	425	400
Secretarial fees	600	600
Tax fee	700	700
	<u>(1,064,936)</u>	<u>(38,569)</u>
(Loss)/Profit before taxation	<u>(1,043,514)</u>	<u>1,092,051</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 INFORMATION
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2022**

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 present fairly, in all material respects, the financial position of Singapore Medical Association Trust Fund (“The Fund”) as at 31 December 2022 and the results, 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 YEW GHEE
Treasurer

Singapore, 3 April 2023



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 2022, 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 present fairly, in all material respects, the state of affair of The Fund as at 31 December 2022 and the results, changes in fund and cash flows of The Fund for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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



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

Responsibilities of Trustees for the Financial Statements

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

In preparing the financial statements, The Fund's trustees are responsible for assessing The Fund's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless The Fund's trustees either 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, 3 April 2023

KRESTON DAVID YEUNG PAC (UEN: 200717891W)

A public accounting corporation incorporated with limited liability and an independent member of the **Kreston Global** network
128A Tanjong Pagar Road, Singapore 088535
Tel: 6223 7979 Fax: 6222 7979

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION

As at 31 December 2022

	Note	2022 S\$	2021 S\$
ASSET			
Current asset			
Cash and cash equivalents		<u>20,209</u>	<u>20,209</u>
Total asset		<u>20,209</u>	<u>20,209</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>

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 2022

	2022	2021
	S\$	S\$
Revenue	-	-
Less: Expenditure		
Bank charges	-	-
Donation	-	-
	<hr/>	<hr/>
Deficit before taxation	-	-
Less: Taxation	-	-
	<hr/>	<hr/>
Net deficit and total comprehensive loss for the year	<hr/> -	<hr/> -

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 2022

	Capital fund S\$	Accumulated surplus S\$	Total funds S\$
Balance as at 01.01.2021	21,513	(1,304)	20,209
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2021/01.01.2022	21,513	(1,304)	20,209
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2022	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 2022

	2022	2021
	S\$	S\$
Cash flows from operating activities		
Deficit before taxation	-	-
	<hr/>	<hr/>
Operating cash flows before changes in working capital	-	-
	<hr/>	<hr/>
Net increase in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	20,209	20,209
	<hr/>	<hr/>
Cash and cash equivalents at end of year	20,209	20,209
	<hr/>	<hr/>

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 2022

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

1. GENERAL

The registered office of Singapore Medical Association Trust Fund (“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 2022. 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 2022

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 Fund 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 2022

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 Fund becomes a party to the contractual provisions of the financial instrument. The Fund 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 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.

3. CAPITAL FUND

	2022	2021
	S\$	S\$
Balance at beginning of year and end of year	<u>21,513</u>	<u>21,513</u>

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit Risk

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

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2022

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk

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

5. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2022	2021
	S\$	S\$
Asset:		
<u>Financial asset</u>		
At amortised cost:-		
Cash and cash equivalents	<u>20,209</u>	<u>20,209</u>
Total financial asset	<u>20,209</u>	<u>20,209</u>

6. FAIR VALUES

The carrying amounts of financial assets recorded in the financial statements approximate their respective fair values due to the short-term nature of these financial instruments.

7. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2023. 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.