SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

LCH/GSF/LAU/TZC

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

REGISTERED OFFICE

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

AUDITORS

Kreston David Yeung PAC

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SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENT BY THE ASSOCIATION'S COUNCIL MEMBERS

In the opinion of the Association's Council Members:-

i) the accompanying statements of financial position of the group and of the association, statements of profit or loss and other comprehensive income and statements of changes in funds of the group and of the association and consolidated statement of cash flows of the group together with the notes thereto, are drawn up in accordance with the provisions of the Societies Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the association as at 31 December 2014 and the results and changes in funds of the group and of the association and cash flows of the group for the year ended on that date; and

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

On behalf of the Council Members,

A/PROF CHIN JING JIH
President

DR CHAN TENG MUI TAMMY
Honorary Secretary

DR LEE HSIEN CHIEH DANIEL
Honorary Treasurer

Singapore, 9 March 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) AND ITS SUBSIDIARY

We have audited the accompanying financial statements of Singapore Medical Association (the "association") and its subsidiary (the "group"), which comprise the statements of financial position of the group and of the association as at 31 December 2014, and the statements of profit or loss and other comprehensive income and statements of changes in funds of the group and of the association and consolidated statement of cash flows of the group for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 32.

Association's Council Members' Responsibility 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 Societies Act and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the association's council members, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the group and of the association as at 31 December 2014 and the results and changes in funds of the group and of the association and cash flows of the group for the year ended on that date.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION (UEN: S61SS0168E) AND ITS SUBSIDIARY

Report on Other Legal and Regulatory Requirements

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 9 March 2015

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 2014

		Group		Association	
		2014	2013	2014	2013
ASSETS	Note	S$	S$	S$	S$
Non-current assets					
Property, plant and equipment	3	18,885	28,855	18,070	27,582
Investment in subsidiary	4	-	-	2,314,000	2,314,000
Total non-current assets		18,885	28,855	2,332,070	2,341,582
Current assets					
Financial assets at fair value through profit or loss	5	4,188,950	4,009,283	-	-
Trade receivables	6	621,374	434,105	617,731	434,290
Subscription in arrears	7	111,600	106,845	111,600	106,845
Other receivables, deposits and prepayments	8	96,283	101,725	91,698	95,981
Cash and cash equivalents	9	2,074,990	1,844,710	1,583,640	1,260,700
Total current assets		7,093,197	6,496,668	2,404,669	1,897,816
Total assets		7,112,082	6,525,523	4,736,739	4,239,398
FUNDS AND LIABILITIES					
Funds attributable to the members of the Association					
Accumulated fund		6,618,164	6,190,912	4,256,927	3,946,338
Total funds		6,618,164	6,190,912	4,256,927	3,946,338
Non-current liabilities					
Deferred tax liabilities	10	219	368	219	219
Current liabilities					
Other payables and accruals	11	481,235	328,051	467,129	292,841
Provision of taxation		12,464	6,192	12,464	-
Total current liabilities		493,699	334,243	479,593	292,841
Total liabilities		493,918	334,611	479,812	293,060
Total funds and liabilities		7,112,082	6,525,523	4,736,739	4,239,398

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2014

		Group		Association	
		2014	2013	2014	2013
	Note	S$	S$	S$	S$
Income					
AST course fees		108,800	116,400	108,800	116,400
Bad debts recovered - subscriptions		1,100	1,680	1,100	1,680
Centre for ME and professionalism income		36,416	18,483	36,416	18,483
Commission income		1,046,082	870,292	1,016,520	841,344
CPR course fees		28,540	22,060	-	-
Fair value gain/(loss) on financial assets at fair value through profit or loss		180,520	(21,586)	-	-
Gain on disposal of held-to-maturity investments		-	23,973	-	-
Healthcare course fees		55,897	69,816	-	-
Interest income on held-to-maturity investments		-	25,963	-	-
Interest income on bank deposits		13,698	2,314	10,460	583
IPG contribution collection		25,621	-	25,621	-
Management fee income		34,800	3,536	65,746	31,507
MASEAN Event income		7,477	-	7,477	-
Medical Practice Management income		11,995	6,935	11,995	6,935
Medik Awas income		7,473	8,132	7,473	8,132
Members' welfare event income		25,019	20,352	25,019	20,352
MPS workshop income		31,752	34,440	31,752	34,440
Rebate income		170,157	175,896	170,157	175,896
Sale of masks and gowns		-	22,672	-	-
SMA Dinner		30,234	21,496	30,234	21,496
SMA Football		4,850	4,400	4,850	4,400
SMA Golf		27,994	27,276	27,994	27,276
SMA Medical convention		40,666	107,070	40,666	107,070
SMA Newsletter publication		389,863	359,426	389,863	359,426
SMA SARS 10th anniversary event income		-	5,000	-	5,000
SMA talks and seminars		28,500	42,000	28,500	42,000
SMJ publication		179,624	141,647	179,624	141,647
Subscriptions		715,950	709,071	715,950	709,071
Sundry income		42,859	12,962	42,859	12,951
		3,245,887	2,831,706	2,979,076	2,686,089
Expenditure		(2,809,652)	(2,722,455)	(2,656,023)	(2,613,394)
Surplus before taxation		436,235	109,251	323,053	72,695
Taxation	12	(8,983)	11,234	(12,464)	11,345
Net suplus and total comprehensive income for the year		427,252	120,485	310,589	84,040

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF EXPENDITURE
For the year ended 31 December 2014

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
AST course expenses	89,387	108,422	89,387	108,422
Advertisements	1,962	600	1,962	600
Auditors' remuneration	8,430	10,650	5,430	7,500
Bad debts written off - trade	-	150	-	150
Bank charges	13,604	9,886	13,544	9,771
Centre for ME and professionalism expenses	39,752	52,172	39,752	52,172
CPF and SDL	183,384	165,182	183,364	165,182
CPR course expenses	15,801	15,409	-	-
Depreciation of plant and equipment	19,967	35,198	19,509	34,200
Donations	100,000	20,000	-	-
Entertainment	14,078	14,518	14,078	14,518
General expenses	783	2,065	383	1,015
Healthcare course expenses	29,890	34,229	-	-
Insurance	20,351	17,796	20,351	17,796
Inter-professional games	29,121	6,477	29,121	6,477
Jobs credit and other schemes	(3,361)	(3,643)	(3,361)	(3,643)
Loss on disposal of plant and equipment	-	268	-	268
MASEAN event	29,102	-	29,102	-
Masks, gloves and gowns	2,400	31,200	-	-
Medical expenses	7,378	6,545	7,378	6,545
Medical Practice Management expenses	10,167	12,237	10,167	12,237
Medik Awas expenses	1,016	1,523	1,016	1,523
Meeting expenses	2,408	22,617	2,408	22,617
Member's welfare	65,170	48,583	65,170	48,583
Net allowance for doubtful debts	48,610	44,700	48,610	44,700
Newspapers & periodicals	877	863	877	863
Office refreshments	966	792	966	792
Postage and couriers	26,775	25,766	26,671	25,462
Printing and stationery	28,984	33,247	28,868	32,961
Professional fee	48,800	45,500	48,800	45,500
Property tax	5,702	4,308	5,702	4,308
Rental of equipment	14,112	14,112	14,112	14,112
Repairs and maintenance	138,228	135,481	138,228	135,481
Balance carried forward	993,844	916,853	841,595	810,112

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SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF EXPENDITURE
For the year ended 31 December 2014

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Balance brought forward	993,844	916,853	841,595	810,112
SMA Charity Fund	5,988	4,903	5,988	4,903
SMA Dinner expenses	54,494	45,211	54,494	45,211
SMA Football expenses	8,406	8,192	8,406	8,192
SMA Golf expenses	27,526	27,861	27,526	27,861
SMA Medical convention expenses	50,656	52,236	50,656	52,236
SMA Newsletter expenses	138,018	164,699	138,018	164,699
SMA SARS 10th anniversary event expenses	-	4,357	-	4,357
SMA talks and seminar expenses	10,729	13,896	10,729	13,896
SMJ publication expenses	146,268	153,102	146,268	153,102
Secretarial fees	700	1,420	-	-
Sponsorship	654	14,607	654	14,607
Staff commission	16,539	7,475	16,539	7,475
Staff salaries and bonuses	1,283,556	1,158,853	1,283,576	1,158,853
Staff training	4,832	30,508	4,832	30,508
Staff vacation pay	(6,902)	14,198	(6,902)	14,198
Staff welfare	6,456	6,005	6,456	6,005
Subscriptions	2,140	2,092	2,140	2,092
Tax fee	700	900	-	-
Telephone and fax	6,079	7,250	6,079	7,250
Temporary staff services	-	2,265	-	2,265
Transportation	10,521	10,993	10,521	10,993
Travel	30,755	52,775	30,755	52,775
Utilities	17,693	21,804	17,693	21,804
Total expenditure	2,809,652	2,722,455	2,656,023	2,613,394

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SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2014

	Accumulated fund S$
GROUP	
Balance as at 01.01.2013	6,070,427
Total comprehensive income for the year	120,485
Balance as at 31.12.2013 and 01.01.2014	6,190,912
Total comprehensive income for the year	427,252
Balance as at 31.12.2014	6,618,164
ASSOCIATION	
Balance as at 01.01.2013	3,862,298
Total comprehensive income for the year	84,040
Balance as at 31.12.2013 and 01.01.2014	3,946,338
Total comprehensive income for the year	310,589
Balance as at 31.12.2014	4,256,927

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SINGAPORE MEDICAL ASSOCIATION
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

	2014	2013
	S$	S$
Cash flows from operating activities		
Surplus before taxation	436,235	109,251
Adjustments for:-		
Depreciaton of plant and equipment	19,967	35,198
Allowance for doubtful debts	48,610	44,700
Amortisation of premium on held-to-maturity investments	-	1,703
Gain on disposal of held-to-maturity investments	-	(23,973)
Fair value adjustment	(179,667)	(2,387)
Loss on disposal of plant and equipment	-	268
Interest income	(13,698)	(28,277)
Operating profit before working capital changes:-	311,447	136,483
Increase in trade and other receivables	(236,319)	(64,131)
Increase in other payables	153,184	20,229
Cash generated from operations	228,312	92,581
Income tax refund	-	11,309
Income tax paid	(2,860)	(6,547)
Net cash generated from operating activities	225,452	97,343
Cash flows from investing activities		
Purchase of plant and equipment	(9,997)	(60,760)
Proceeds from disposal of/(Purchase of) held-to-maturity investments	-	1,542,000
Purchase of financial assets at fair value through profit or loss	-	(1,563,313)
Interest received	14,825	46,846
Net cash generated from/(used in) investing activities	4,828	(35,227)
Net increase in cash and cash equivalents	230,280	62,116
Cash and cash equivalents at beginning of year	1,844,710	1,782,594
Cash and cash equivalents at end of year	2,074,990	1,844,710

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

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

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

The financial statements for the year ended 31 December 2014 are authorised for issue by the Council of the association on 9 March 2015.

The financial statements are presented in Singapore dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The consolidated financial statements of the group 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 2014. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant accounting estimates and judgements

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant accounting estimates and judgements (Continued)

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

Critical assumptions used and accounting estimates in applying accounting policies

Income Tax

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

Useful lives of plant and equipment

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

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

Critical judgements made in applying accounting policies

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

Impairment of property, plant and equipment

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant accounting estimates and judgements (Continued)

Allowance account for credit losses

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

Impairment of investment in subsidiary

Determining whether investment in subsidiary is impaired requires an estimation of value-in-use of that investment. The value-in-use calculation requires the group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. Management has evaluated the recoverability of the investment based on such estimates.

c) Basis of Consolidation

Business combination from 1 January 2010

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation (Continued)

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

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

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

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

d) Plant and Equipment and Depreciation

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Plant and Equipment and Depreciation (Continued)

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
Air conditioners	3 years
Equipment, furniture and fittings	3 - 10 years
Renovations	5 years

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

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

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

e) Investment in Subsidiary

A subsidiary is an investee that is controlled by the association. The association 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, investments in subsidiary is accounted for at cost less impairment losses.

f) Cash and Cash Equivalents

Cash and cash equivalents comprised cash on hand and at banks and 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) Financial Assets

Initial recognition and measurement

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

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

Subsequent measurement

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

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the group that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) **Financial Assets** (Continued)

Derecognition (Continued)

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

h) **Impairment of Financial Assets**

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the group first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the group determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) **Impairment of Financial Assets** (Continued)

Financial assets carried at amortised cost (Continued)

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) **Financial Liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 company’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.

n) Leases

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the group and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The association assesses its revenue arrangements to determine if it acting as principal or agent in all of its revenue arrangements.

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

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

Interest income is recognised using the effective interest method.

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

p) Income Taxes

a) Current tax

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

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

b) Deferred tax

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

Deferred tax liabilities are recognised for temporary differences.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) **Income Taxes** (Continued)

b) **Deferred tax** (Continued)

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

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

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

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

q) **Related Parties**

A related party is defined as follows:-

a) A person or a close member of that person's family is related to the group and association if that person:

i) Has controls or joint control over the association;

ii) Has significant influence over the association; or

iii) Is a member of the key management personnel of the group or association or of a parent of the association.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

q) **Related Parties** (Continued)

b) An entity is related to the group and the association if any of the following conditions applies:

i) The entity and the association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both entities are joint ventures of the same third party.

iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) The entity is controlled or jointly controlled by a person identified in (a).

vi) A person identifies in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

r) **Key management personnel**

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

s) **Employee Benefits**

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

t) **Employee Leave Entitlement**

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

3. PLANT AND EQUIPMENT

Group	Computers	Air Conditioners S$	Equipment, furniture and fittings S$	Renovations S$	Total S$
Cost					
At 01.01.2013	100,190	12,801	196,651	122,477	432,119
Additions	19,345	41,079	336	-	60,760
Disposal	-	(6,933)	(31,410)	-	(38,343)
At 31.12.2013/01.01.2014	119,535	46,947	165,577	122,477	454,536
Additions	3,560	-	6,437		9,997
Disposal	(13,444)	-	(4,538)		(17,982)
At 31.12.2014	109,651	46,947	167,476	122,477	446,551
Accumulated Depreciation					
At 01.01.2013	100,190	12,533	193,358	122,477	428,558
Charge for the year	19,345	13,693	2,160	-	35,198
Disposal	-	(6,665)	(31,410)	-	(38,075)
At 31.12.2013/01.01.2014	119,535	19,561	164,108	122,477	425,681
Charge for the year	3,560	13,693	2,714	-	19,967
Disposal	(13,444)	-	(4,538)		(17,982)
At 31.12.2014	109,651	33,254	162,284	122,477	427,666
Net Book Value					
At 31.12.2014	-	13,693	5,192	-	18,885
At 31.12.2013	-	27,386	1,469	-	28,855

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Association	Computers	Air Conditioners S$	Equipment, furniture and fittings S$	Renovations S$	Total S$
Cost					
At 01.01.2013	100,190	11,101	172,898	122,477	406,666
Additions	19,345	41,079	336	-	60,760
Disposal	-	(6,933)	(31,410)	-	(38,343)
At 31.12.2013/01.01.2014	119,535	45,247	141,824	122,477	429,083
Additions	3,560	-	6,437	-	9,997
Disposal	(13,444)	-	(4,538)	-	(17,982)
At 31.12.2014	109,651	45,247	143,723	122,477	421,098
Accumulated Depreciation					
At 01.01.2013	100,190	10,833	171,876	122,477	405,376
Charge for the year	19,345	13,693	1,162	-	34,200
Disposal	-	(6,665)	(31,410)	-	(38,075)
At 31.12.2013/01.01.2014	119,535	17,861	141,628	122,477	401,501
Charge for the year	3,560	13,693	2,256	-	19,509
Disposal	(13,444)	-	(4,538)	-	(17,982)
At 31.12.2014	109,651	31,554	139,346	122,477	403,028
Net Book Value					
At 31.12.2014	-	13,693	4,377	-	18,070
At 31.12.2013	-	27,386	196	-	27,582

4. INVESTMENT IN SUBSIDIARY

	Association 2014 S$	2013 S$
Unquoted equity shares, at cost	2,314,000	2,314,000

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

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

5. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group
	2014	2013
	S$	S$
Quoted equity securities:-		
Balance at beginning of year	4,009,283	1,693,583
Reclassification	-	750,000
Addition/(Disposal) during the year	-	1,563,313
Fair value adjustments	179,667	2,387
Balance at end of year	4,188,950	4,009,283

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

		Group
	2014	2013
	S$	S$
Singapore dollar	3,118,398	3,492,685
United States dollar	714,456	513,322
British Pound	66,224	3,276
Euro dollar	122,497	-
Swiss Franc	85,985	-
Japanese Yen	81,390	-
	4,188,950	4,009,283

6. TRADE RECEIVABLES

		Group		Association
	2014	2013	2014	2013
	S$	S$	S$	S$
Trade receivables				
- Subsidiary	-	-	-	185
- Related party	37,296	-	37,296	-
- Third parties	584,078	434,105	580,435	434,105
	621,374	434,105	617,731	434,290

6. TRADE RECEIVABLES (Continued)

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

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Not past due	313,479	368,121	313,479	368,305
Past due 0 - 3 months	247,567	54,650	247,375	54,651
Past due 3 - 6 months	56,567	11,334	54,641	11,334
Over 6 months	3,761	-	2,236	-
	621,374	434,105	617,731	434,290

7. SUBCRIPTIONS IN ARREARS

	Group and Association	
	2014	2013
	S$	S$
Subscriptions in arrears	163,597	154,607
Less: Allowance for credit losses	(51,997)	(47,762)
	111,600	106,845
Movements of allowance from credit losses:-		
Balance at beginning of year	47,762	23,788
Addition during the year	51,997	47,762
Allowance written off	(47,762)	(23,788)
Balance at end of year	51,997	47,762

8. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Other receivables	22,318	61,030	21,502	60,043
Fixed deposit interest receivables	604	1,731	-	-
Deposits	9,282	22,414	9,282	22,414
Prepayments	42,752	16,550	39,587	13,524
Advance payment to supplier	21,327	-	21,327	-
	96,283	101,725	91,698	95,981

9. CASH AND BANK BALANCES

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Cash and bank balances	1,013,027	496,950	826,042	212,940
Fixed deposits	1,061,963	1,347,760	757,598	1,047,760
	2,074,990	1,844,710	1,583,640	1,260,700

The fixed deposits bear interest rate at 0.25% to 1.05% (2013: 0.25% to 1.3%) per annum and mature within 90 days to 365 days (2013: 30 days to 365 days).

10. DEFERRED TAXATION

The deferred tax liability represents tax effect of excess of capital allowances claimed over book depreciation of plant and equipment.

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Balance at beginning of year	368	470	219	219
Tax credited to profit and loss (Note 12)	(149)	(102)	-	-
Balance at end of year	219	368	219	219

11. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Other payables	46,307	37,108	46,307	37,108
Accruals	203,887	165,789	198,787	161,389
Deferred income	231,041	125,154	222,035	94,344
	481,235	328,051	467,129	292,841

12. TAXATION

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Income tax expense:-				
- Current year	12,464	213	12,464	-
- (Over)/under provision in prior year	(3,332)	(11,345)	-	(11,345)
- Deferred tax (Note 11)	(149)	(102)	-	-
Tax expense/(benefit)	8,983	(11,234)	12,464	(11,345)

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

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Surplus before taxation	436,235	109,251	323,053	72,695
Tax expenses calculated at a tax rate of 17%	74,160	18,572	54,919	12,358
Income not taxable for tax purposes	-	(619)	-	(619)
Expenses not tax deductible	17,565	4,454	565	1,054
Enhanced tax allowances	(59,971)	(25,378)	(17,471)	(16,878)
Over provision in prior years	(3,332)	(11,345)	-	(11,345)
Singapore statutory stepped income exemption	(18,655)	(912)	(18,655)	-
Tax rebate	(5,342)	(91)	(5,342)	-
Unrecognised deferred tax assets	6,110	4,085	-	4,085
Other	(1,552)	-	(1,552)	-
Tax expense/(benefit)	8,983	(11,234)	12,464	(11,345)

13. OPERATING LEASE COMMITMENTS

The group and association lease equipment under non-cancellable operating lease agreement.

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

	Group and Association	
	2014	2013
	S$	S$
Within one year	22,383	14,112
Within two to five years	2,189	24,572
	24,572	38,684

14. RELATED PARTY TRANSACTIONS

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

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Management fee income	34,800	3,536	65,746	27,971

During the financial year, the association has absorbed operating expenses of a newly incorporated related party which amounted to S$Nil (2013: S$4,903).

15. CAPITAL MANAGEMENT

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

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

The group has no externally imposed capital requirements.

16. FINANCIAL RISK MANAGEMENT

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

Credit Risk

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

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

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

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

The credit risk for trade and other receivables is as follows:

Financial assets that are either past due and/or impaired

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

Financial assets that are neither past due nor impaired

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

Price Risk

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

16. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk

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

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

Interest Rate Risk

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

17. FAIR VALUE

Fair value of financial instruments carried at fair value

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

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

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

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

The quoted securities instruments at fair value of S$4,188,950 (2013: S$4,009,283) is based on quoted price which is included in Level 1.

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

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

18. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Group		Association	
	2014	2013	2014	2013
	S$	S$	S$	S$
Financial assets				
Financial assets at fair value through profit or loss:-				
Quoted equity securities	4,188,950	4,009,283	-	-
Loans and receivables:-				
Trade receivables	621,374	434,105	617,731	434,290
Subscription in arrears	111,600	106,845	111,600	106,845
Other receivables and deposits	32,204	85,175	30,784	82,457
Cash and cash equivalents	2,074,990	1,844,710	1,583,640	1,260,700
Total financial assets	7,029,118	6,480,118	2,343,755	1,884,292
Financial liabilities				
Amortised cost:-				
Other payables and accruals	250,194	202,897	245,094	198,497
Total financial liabilities	250,194	202,897	245,094	198,497

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 2015. The group does not expect that adoption of these accounting standards or interpretations will have a material impact on the group's financial statements.

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

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

LCH/GSF/LAU/TZC

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DIRECTORS' REPORT

The directors submit this annual report to the members together with the audited financial statements of the company for the year ended 31 December 2014.

1. DIRECTORS

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

CHAN TENG MUI TAMMY
CHIN JING JIH
CHONG YEH WOEI
LEE YIK VOON
TAN SZE WEE
WONG CHIANG YIN
WONG TIEN HUA
LEE HSIEN CHIEH (Appointed on 17.04.2014)

2. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

3. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director of the company has received or has become entitled to receive a benefit by reason of a contract made by the company or a related corporation with the director, or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. SHARE OPTIONS GRANTED

During the financial year, no options were granted to take up unissued shares of the company.

6. SHARE OPTIONS EXERCISED

During the financial year, no shares were issued by virtue of the exercise of options granted.

7. UNISSUED SHARES UNDER OPTION

There were no unissued shares under option at the end of the financial year.

8. AUDITORS

The auditors, Kreston David Yeung PAC, have expressed their willingness to accept re-appointment.

On behalf of the Board,

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

Singapore, 9 March 2015

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT BY DIRECTORS

In the opinion of the directors: -

i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2014 and the results of the business, 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.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board,

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

Singapore, 9 March 2015

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N)

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Medical Association Pte Ltd (the "company"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 6 to 27.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF
SINGAPORE MEDICAL ASSOCIATION PTE LTD (UEN: 200002170N)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provision of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 December 2014 and the results, changes in equity and cash flows of the company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 9 March 2015

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 2014

	Note	2014 S$	2013 S$
ASSETS			
Non-current asset			
Plant and equipment	3	815	1,273
Total non-current asset		815	1,273
Current assets			
Financial assets at fair value through profit or loss	4	4,188,950	4,009,283
Trade receivables	5	3,643	-
Other receivables and prepayment	6	4,585	5,744
Cash and cash equivalents	7	491,350	584,010
Total current assets		4,688,528	4,599,037
Total assets		4,689,343	4,600,310
EQUITY AND LIABILITIES			
Equity attributable to owners			
Share capital	8	2,314,000	2,314,000
Accumulated profits		2,361,237	2,244,574
Total equity		4,675,237	4,558,574
Non-current liability			
Deferred tax liabilities	9	-	149
Current liabilities			
Related party		-	185
Other payables and accruals	10	14,106	35,210
Provision for taxation		-	6,192
Total current liabilities		14,106	41,587
Total liabilities		14,106	41,736
Total equity and liabilities		4,689,343	4,600,310

The notes set out on pages 10 to 27 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 2014

	Note	2014 S$	2013 S$
Revenue	11	113,999	120,824
Other revenue	12	183,758	52,764
Operating expenses		(184,575)	(137,032)
Profit before taxation	13	113,182	36,556
Taxation	14	3,481	(111)
Net profit and total comprehensive income for the year		116,663	36,445

The notes set out on pages 10 to 27 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 2014

	Share Capital S$	Accumulated Profits S$	Total Equity S$
Balance as at 01.01.2013	2,314,000	2,208,129	4,522,129
Total comprehensive income for the year	-	36,445	36,445
Balance as at 31.12.2013/01.01.2014	2,314,000	2,244,574	4,558,574
Total comprehensive income for the year	-	116,663	116,663
Balance as at 31.12.2014	2,314,000	2,361,237	4,675,237

The notes set out on pages 10 to 27 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 2014

	2014	2013
	S$	S$
Cash flows from operating activities		
Profit before taxation	113,182	36,556
Adjustments for:-		
Depreciation of plant and equipment	458	998
Amortisation of premium on held-to-maturity investments	-	1,703
Fair value adjustment	(179,667)	(2,387)
Gain on disposal of held-to-maturity investments	-	(23,973)
Interest income	(3,238)	(27,694)
Operating cash flows before changes in working capital	(69,265)	(14,797)
(Increase)/Decrease in trade and other receivables	(3,611)	5,469
(Decrease)/Increase in other payables	(21,289)	3,869
Cash used in operations	(94,165)	(5,459)
Income tax paid	(2,860)	(5,130)
Net cash used in operating activities	(97,025)	(10,589)
Cash flows from investing activities		
Proceeds from disposal of held-to-maturity investments	-	1,542,000
Purchase of financial assets at fair value through profit or loss	-	(1,563,313)
Interest received	4,365	46,263
Net cash generated from investing activities	4,365	24,950
Net (decrease)/increase in cash and cash equivalents	(92,660)	14,361
Cash and cash equivalents at beginning of year	584,010	569,649
Cash and cash equivalents at end of year	491,350	584,010

The notes set out on pages 10 to 27 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

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

The company regards Singapore Medical Association, an association registered in the Republic of Singapore, as its immediate and ultimate holding entity. The company's shares are registered and held in trust by three trustees, namely Professor Low Cheng Hock, Dr Tan Cheng Bock @ Adrian Tan and Dr Yong Nen Khiong, 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 2014 are authorised for issue in accordance with a resolution of the directors on 9 March 2015.

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 2014. The adoption of these new/revised FRSs and INT FRSs have no material effect on the company's financial statements.

b) Significant Accounting Estimates and Judgements

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) **Significant Accounting Estimates and Judgements** (Continued)

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

Critical assumptions and accounting estimates in applying accounting policies

Income tax

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

Useful lives of plant and equipment

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

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

Critical judgements made in applying accounting policies

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

Impairment of plant and equipment

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

Allowance account for credit losses

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) **Plant and Equipment**

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

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

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

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

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

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

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

d) **Financial Assets**

Initial recognition and measurement

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets** (Continued)

Subsequent measurement

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

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

Financial assets at fair value through profit or loss include financial assets held for trading and financial assets designated upon initial recognition at fair value through profit or loss. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. This category includes derivative financial instruments entered into by the company that are not designated as hedging instruments in hedge relationships as defined by FRS 39. Derivatives, including separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments.

<u>Held-to-maturity investments</u>

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold the investment to maturity. Subsequent to initial recognition, held-to-maturity investments are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the held-to-maturity investments are derecognised or impaired, and through the amortisation process.

<u>Loans and receivables</u>

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loan and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) **Impairment of Financial Assets**

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

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the company determines that no objective evidence of impairment exists for an individually assessed financial assets, whether significant or not, it includes the asset in a company of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on a financial asset carried at amortised cost has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of asset is reduced through the use of allowance account. The impairment loss is recognised in the profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly, or if an amount was charged to allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decrease and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) **Impairment of Non-Financial Assets**

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

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

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

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

g) **Cash and Cash equivalents**

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) **Share Capital**

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

i) **Financial Liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

j) **Provisions**

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) **Related Parties**

A related party is defined as follows:-

a) A person or a close member of that person's family is related to the company if that person:

i) Has control or joint control over the company;

ii) Has significant influence over the company; or

iii) Is a member of the key management personnel of the company or of a parent of the company.

b) An entity is related to the company if any of the following conditions applies:

i) The entity and the company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

iii) Both entities are joint ventures of the same third party.

iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

v) The entity is a post-employment benefit plan for the benefit of employees of either the company or an entity related to the company. If the company is itself such a plan, the sponsoring employers are also related to the company;

vi) The entity is controlled or jointly controlled by a person identified in (a);

vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

l) **Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable. The company assesses its revenue arrangements to determine if it acting as principal or agent in all of its revenue arrangements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) **Revenue Recognition** (Continued)

i) *Course fee Income*

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

ii) *Commission Income*

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

iii) *Interest Income*

Interest income is recognised using the effective interest method.

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) **Contingencies**

A contingent liability is:-

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

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

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) **Income Taxes**

Current tax

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

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences.

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

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity.

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

p) Currency Translation

Functional and presentation currency

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

Transactions and balances

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

3. PLANT AND EQUIPMENT

	Air Conditioners S$	Equipment, Furiture and Fittings S$	Total S$
Cost			
At 01.01.2013	1,700	23,753	25,453
Additions	-	-	-
At 31.12.2013/01.01.2014/31.12.2014	1,700	23,753	25,453
Accumulated Depreciation			
At 01.01.2013	1,700	21,482	23,182
Charge for the year	-	998	998
At 31.12.2013/01.01.2014	1,700	22,480	24,180
Charge for the year	-	458	458
At 31.12.2014	1,700	22,938	24,638
Net Book Value			
At 31.12.2014	-	815	815
At 31.12.2013	-	1,273	1,273

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2014	2013
	S$	S$
Quoted equity securities:-		
Balance at beginning of year	4,009,283	1,693,583
Reclassification	-	750,000
Addition during the year	-	1,563,313
Fair value adjustments	179,667	2,387
Balance at end of year	4,188,950	4,009,283

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

	2014	2013
	S$	S$
Singapore dollar	3,118,398	3,492,685
United States dollar	714,456	513,322
British Pound	66,224	3,276
Euro dollar	122,497	-
Swiss Franc	85,985	-
Japanese Yen	81,390	-
	4,188,950	4,009,283

5. TRADE RECEIVABLES

Trade receivables are non-interest bearing and generally no credit term. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables that are past due at the end of reporting period but not impaired amounted to S$3,643 (2013: S$Nil). The analysis of the aging of the trade receivables at the end of reporting period is as follows:-

	2014	2013
	S$	S$
Past due but not impaired:-		
Past due 1 - 30 days	192	-
Past due 31 - 60 days	1,926	-
Over 60 days	1,525	-
	3,643	-

6. OTHER RECEIVABLES AND PREPAYMENT

	2014 S$	2013 S$
GST receivables	816	987
Interest receivables	604	1,731
Prepayments	3,165	3,026
	4,585	5,744

7. CASH AND CASH EQUIVALENTS

Cash and bank balances	186,985	284,010
Fixed deposits	304,365	300,000
	491,350	584,010

The fixed deposits bear interest rate at 1.05% (2013: 1.3%) per annum with the tenures of deposits of twelve months.

8. SHARE CAPITAL

	2014 S$	2013 S$
Issued and fully paid: -		
2,314,000 (2013: 2,314,000) ordinary shares	2,314,000	2,314,000

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

9. DEFERRED TAX LIABILITIES

The deferred tax liabilities represent tax effect of excess of capital allowances claimed over book depreciation of plant and equipment.

	2014 S$	2013 S$
Balance at beginning of year	149	251
Tax credited to profit or loss (Note 14)	(149)	(102)
Balance at end of year	-	149

10. OTHER PAYABLES AND ACCRUALS

	2014 S$	2013 S$
Deferred income	9,006	30,810
Accruals	5,100	4,400
	14,106	35,210

11. REVENUE

	2014 S$	2013 S$
CPR course fees	28,540	22,060
Commission income	29,562	28,948
Healthcare course fees	55,897	69,816
	113,999	120,824

12. OTHER REVENUE

	2014 S$	2013 S$
Fair value gain/(loss) on financial assets at fair value through profit or loss	180,520	(21,586)
Gain on disposal of held-to-maturity investments	-	23,973
Interest income on bank deposits	3,238	1,731
Interest income on held-to-maturity investments	-	25,963
Sundry income	-	11
Sale of masks and gowns	-	22,672
	183,758	52,764

13. PROFIT BEFORE TAXATION

Profit before taxation is arrived at after deducting the following items:-

	2014 S$	2013 S$
CPR course expense	23,600	21,719
Depreciation of plant and equipment	458	998
Donations	100,000	20,000
Healthcare course expenses	37,689	40,540
Management fees	15,348	15,350
Masks, gloves and gowns	2,400	31,200

14. TAXATION

	2014 S$	2013 S$
Income tax expense:-		
- Current year	-	213
- Over provision in priors years	(3,332)	-
Deferred tax (Note 9)	(149)	(102)
Tax (benefit)/expense	(3,481)	111

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

	2014 S$	2013 S$
Profit before taxation	113,182	36,556
Tax expense calculated at a tax rate of 17%	19,241	6,214
Expenses not tax deductible	17,000	3,400
Enhanced tax allowances	(42,500)	(8,500)
Over provision in prior years	(3,332)	-
Singapore statutory stepped income exemption	-	(912)
Tax rebate	-	(91)
Unrecognised deferred tax assets at end of the year	6,110	-
Tax (benefit)/expense	(3,481)	111

At the end of the reporting period, the company had unabsorbed tax losses amounting to approximately S$37,000 (2013: S$Nil) available for setting off against its future tax income subject to the compliance with the relevant section of the Income Tax Act and to the agreement of the tax authorities. No deferred tax asset has been recognised due to uncertainty of its recovery.

15. 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:-

	2014	2013
	S$	S$
With holding entity		
Management fee expenses	15,348	15,350
CPR course expenses	7,799	6,310
Healthcare course expenses	7,799	6,311
With related party		
Donation	100,000	20,000

16. 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:-

	2014	2013
	S$	S$
Financial assets		
Financial assets at fair value through profit or loss:-		
Quoted securities	4,188,950	4,009,283
Loan and receivables:-		
Trade receivables	3,643	-
Other receivables	1,420	2,718
Cash and cash equivalents	491,350	584,010
Total financial assets	4,685,363	4,596,011
Financial liability		
At amortised cost:-		
Related party	-	185
Accruals	5,100	4,400
Total financial liabilities	5,100	4,585

17. 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

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit Risk

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

The company's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposures. The company trades only with recognised and creditworthy third parties. In addition, receivables balances are monitored on an ongoing basis.

As at end of reporting period, there is no concentration risk.

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.

18. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Interest Rate Risk

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

Price Risk

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

19. FAIR VALUE

Fair value of financial instruments carried at fair value

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

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

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

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

The quoted securities instruments at fair value of S$4,188,950 (2013: S$4,009,283) is based on quoted price which is included in Level 1.

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

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

20. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2015. The company 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 2014

	2014	2013
	S$	S$
INCOME		
CPR course fees	28,540	22,060
Commission income	29,562	28,948
Fair value gain/(loss) on financial assets at fair value through profit or loss	180,520	(21,586)
Gain on disposal of held-to-maturity investments	-	23,973
Healthcare course fees	55,897	69,816
Interest income on bank deposits	3,238	1,731
Interest income on held-to-maturity investments	-	25,963
Sale of mask and gowns	-	22,672
Sundry income	-	11
	297,757	173,588
Less: Expenditure		
Auditors' remuneration	3,000	3,150
Bank charges	60	115
CPR course expenses	23,600	21,719
Depreciation of plant and equipment	458	998
Donation	100,000	20,000
General expenses	400	1,050
Healthcare course expenses	37,689	40,540
Management fees	15,348	15,350
Mask, gloves and gowns	2,400	31,200
Postage and courier	104	304
Printing and stationery	116	286
Secretarial fees	700	1,420
Tax fee	700	900
	(184,575)	(137,032)
PROFIT BEFORE TAX	113,182	36,556

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

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

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2014

LCH/LAU/TZC

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

TRUSTEE COMMITTEE

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT BY THE TRUSTEES

In the opinion of the trustees, the financial statements as set out on pages 4 to 11 are drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of Singapore Medical Association Trust Fund ("The Fund") as at 31 December 2014 and the results, changes in equity and cash flows of The Fund for the year ended on that date.

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

On behalf of the trustee committee,

…………………………………………………….

DR KHOO CHONG YEW
Chairman

……………………………………………………...

DR TAN YEW GHEE
Secretary

……………………………………………………...

DR LOW LIP PING
Treasurer

Singapore, 9 March 2015

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

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Medical Association Trust Fund ("The Fund"), which comprise the statement of financial position as at 31 December 2014, and the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes as set out on pages 4 to 11.

Fund Trustees' Responsibility 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 Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by The Fund's Trustees, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of The Fund as at 31 December 2014 and the results, changes in equity and cash flows of The Fund for the year ended on that date.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 9 March 2015

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION
As at 31 December 2014

	Note	2014 S$	2013 S$
ASSETS			
Current assets			
Cash and cash equivalents		77,210	77,210
Total assets		77,210	77,210
EQUITY			
Capital fund	3	21,513	21,513
Accumulated surplus		55,697	55,697
Total funds		77,210	77,210
Total equity		77,210	77,210

The notes set out on pages 8 to 11 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 2014

	2014 S$	2013 S$
Revenue	-	-
Less: Expenditure	-	-
Deficit before taxation	-	-
Less: Taxation	-	-
Net deficit and total comprehensive loss for the year	-	-

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

The notes set out on pages 8 to 11 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 EQUITY
For the year ended 31 December 2014

	Capital fund S$	Accumulated surplus S$	Total equity S$
Balance as at 01.01.2013	21,513	55,697	77,210
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2013 and 01.01.2014	21,513	55,697	77,210
Total comprehensive loss for the year	-	-	-
Balance as at 31.12.2014	21,513	55,697	77,210

The notes set out on pages 8 to 11 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 2014

	2014	2013
	S$	S$
Cash flows from operating activities		
Deficit before taxation	-	-
Net cash used in operating activities	-	-
Net decrease in cash and cash equivalents	-	-
Cash and cash equivalents at beginning of year	77,210	77,210
Cash and cash equivalents at end of year	77,210	77,210

The notes set out on pages 8 to 11 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

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

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

The financial statements of The Fund for the year ended 31 December 2014 are authorised for issue in accordance with a resolution of the Trustees on 9 March 2015.

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 2014. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant accounting estimates and judgements

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

c) Cash and Cash Equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets**

Initial recognition and measurement

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

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

Subsequent measurement

<u>Loans and Receivables</u>

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

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

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

e) **Currency Translations**

Functional and presentation currency

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

Transactions and balances

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

3. CAPITAL FUND

	2014	2013
	S$	S$
Balance at beginning of year	21,513	21,513
Funding from Singapore Medical Association	-	-
Balance at end of year	21,513	21,513

4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit Risk

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

Liquidity Risk

The Trustees monitor and maintain a level of cash and cash equivalents deemed adequate by The Fund to finance The Fund's operations and mitigate the effects of fluctuations in cash flows.

5. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2014	2013
	S$	S$
Financial assets		
Loans and receivables: -		
Cash and cash equivalents	77,210	77,210
Total financial assets	77,210	77,210

6. FAIR VALUES

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

7. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2015. The Fund does not expect that adoption of these accounting standards or interpretations will have a material impact on The Fund's financial statements