SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

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SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

REGISTERED OFFICE

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

AUDITOR

Kreston David Yeung PAC

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SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENT BY THE ASSOCIATION'S COUNCIL MEMBERS

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

i) the accompanying statements of financial position, statements of profit or loss and other comprehensive income and statements of changes in funds of the group and the association and consolidated statement of cash flows of the group together with the notes thereto, are drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the group and of the association as at 31 December 2019 and the financial performance and changes in funds of the group and of the association and cash flows of the group for the year ended on that date; and

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

On behalf of the council members,

DR LEE YIK VOON
President

DR LIM KHENG CHOON
Honorary Secretary

DR NG CHEE KWAN
Honorary Treasurer

Singapore, 27 March 2020

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association (the "association") and its subsidiary (collectively, the "group"), which comprise the statements of financial position of the group and the association as at 31 December 2019, the statements of profit or loss and other comprehensive income and statements of changes in funds of the group and the association and consolidated statement of cash flows of the group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the group, the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in funds of the association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the consolidated financial position of the group and the financial position of the association as at 31 December 2019 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the group and financial performance and changes in funds of the association for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 27 March 2020

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

STATEMENTS OF FINANCIAL POSITION
As at 31 December 2019

		Group		Association	
		2019	2018	2019	2018
ASSETS	Note	S$	S$	S$	S$
Non-current assets					
Property, plant and equipment	3	136,435	231,676	136,435	227,983
Investment in subsidiary	4	-	-	3,314,000	3,314,000
Right-of-use assets	5	138,681	-	138,681	-
Total non-current assets		275,116	231,676	3,589,116	3,541,983
Current assets					
Financial assets at fair value through profit or loss	6	5,865,542	5,262,109	-	-
Trade receivables	7	299,984	500,728	337,261	550,057
Subscription in arrears	8	200,250	189,607	200,250	189,607
Other receivables, deposits and prepayments	9	75,860	75,993	74,088	69,751
Cash and bank balances	10	1,825,722	1,577,612	1,451,001	1,192,152
Total current assets		8,267,358	7,606,049	2,062,600	2,001,567
Total assets		8,542,474	7,837,725	5,651,716	5,543,550
FUNDS AND LIABILITIES					
Accumulated fund		7,644,758	7,098,287	4,758,822	4,808,512
Deferred capital grant	11	41,856	78,242	41,856	78,242
Total funds		7,686,614	7,176,529	4,800,678	4,886,754
Current liabilities					
Other payables and accruals	12	711,870	661,196	707,570	656,796
Provision of taxation		522	-	-	-
Lease liabilities	13	143,468	-	143,468	-
Total current liabilities		855,860	661,196	851,038	656,796
Total funds and liabilities		8,542,474	7,837,725	5,651,716	5,543,550

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

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2019

		Group		Association	
		2019	2018	2019	2018
	Note	S$	S$	S$	S$
Income					
Amortisation of deferred capital grant		47,940	44,088	47,940	44,088
AST course fees		219,100	242,900	219,100	242,900
Centre for ME and professionalism income		91,576	151,898	91,576	151,898
Commission income		674,288	696,988	659,684	682,792
CPR course fees		7,392	18,533	-	-
e2i Training grant		-	14,400	-	-
Fair value gain on financial assets at fair value through profit or loss (FVTPL)		604,680	-	-	-
Healthcare course fees		27,200	-	-	-
Interest income on bank deposits		15,733	15,578	11,180	11,011
IPG contribution collection		1,122	-	1,122	-
Management fee income		43,440	30,120	79,028	77,760
Medical Practice Management income		9,000	42,484	9,000	42,484
Medik Awas income		3,963	5,374	3,963	5,374
Members' welfare event income		19,014	32,182	19,014	32,182
MPS workshop income		17,352	16,065	17,352	16,065
Rebate income		119,695	140,691	119,695	140,691
SMA Dinner		55,507	35,066	55,507	35,066
SMA Football		6,500	4,750	6,500	4,750
SMA Golf		20,111	22,644	20,111	22,644
SMA Medical convention		-	53	-	53
SMA Newsletter publication		421,621	420,597	421,621	420,597
SMA talks and seminars		29,264	2,450	29,264	2,450
SMJ publication		42,747	47,710	42,747	47,710
Subscriptions		772,953	772,694	772,953	772,694
Sundry income		12,830	9,331	12,650	9,331
		3,263,028	2,766,596	2,640,007	2,762,540
Expenditure		(2,716,035)	(3,439,258)	(2,689,697)	(2,842,278)
Surplus/(Deficit) before taxation		546,993	(672,662)	(49,690)	(79,738)
Taxation	14	(522)	346	-	-
Net surplus/(deficit) and total comprehensive income/(loss) for the year		546,471	(672,316)	(49,690)	(79,738)

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

SINGAPORE MEDICAL ASSOCIATION
(UEN: S61SS0168E)
AND ITS SUBSIDIARY

STATEMENTS OF EXPENDITURE
For the year ended 31 December 2019

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Advertisement	1,636	397	1,636	397
AST course expenses	99,526	118,803	99,526	118,803
Auditors' remuneration	10,500	10,330	7,500	7,330
Bad debts	1,131	-	1,131	-
Bank charges	8,944	9,535	8,842	9,453
Centre for ME and professionalism expenses	69,301	66,105	69,301	66,105
CPF and SDL	204,863	208,208	204,863	208,208
CPR course expenses	3,219	10,530	-	-
Depreciation of plant and equipment	125,561	112,061	121,868	108,368
Depreciation of right-of-use assets	147,525	-	147,525	-
Donation	-	20,000	-	20,000
Entertainment	9,308	7,636	9,308	7,636
Fair value loss on financial assets at FVTPL	-	575,144	-	-
General expenses	469	1,211	209	690
Healthcare course expenses	12,154	-	-	-
Insurance	20,887	19,660	20,887	19,660
Interest	14,208	-	14,208	-
Inter-professional games	6,120	8,962	6,120	8,962
Jobs credit and other schemes	(5,109)	(33,192)	(5,109)	(33,192)
Masks, gloves and gowns	2,400	2,400	-	-
Medical expenses	9,312	7,641	9,312	7,641
Medical Practice Management expenses	12,348	24,006	12,348	24,006
Medik Awas expenses	375	1,035	375	1,035
Meeting expenses	1,547	2,615	1,547	2,615
Member's welfare	68,060	89,559	68,060	89,559
Net allowance for credit losses	87,750	40,400	87,750	40,400
Newspapers & periodicals	619	715	619	715
Office refreshments	1,068	618	1,068	618
Postage and couriers	14,099	11,502	14,069	11,347
Printing and stationery	18,003	21,312	17,723	21,157
Professional fee	52,268	72,785	52,268	72,785
Property tax	-	6,447	-	6,447
Rental of equipment	482	12,054	482	12,054
Repairs and maintenance	21,051	164,504	21,051	164,504
Balance carried forward	1,019,625	1,592,983	994,487	997,303

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

SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF EXPENDITURE
For the year ended 31 December 2019

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Balance brought forward	1,019,625	1,592,983	994,487	997,303
SMA Dinner expenses	66,242	59,517	66,242	59,517
SMA Football expenses	7,772	4,951	7,772	4,951
SMA Golf expenses	21,087	24,985	21,087	24,985
SMA Medical convention expenses	-	2	-	2
SMA Newsletter expenses	177,879	180,210	177,879	180,210
SMA talks and seminar expenses	6,929	22,257	6,929	22,257
SMJ publication expenses	45,995	47,999	45,995	47,999
Secretarial fees	500	600	-	-
Sponsorship	15,000	-	15,000	-
Staff commission	10,516	-	10,516	-
Staff salaries and bonuses	1,306,268	1,410,879	1,306,268	1,410,879
Staff training	2,043	829	2,043	829
Staff vacation pay	(11,724)	3,388	(11,724)	3,388
Staff welfare	7,966	12,160	7,966	12,160
Subscriptions	2,709	4,287	2,709	4,287
Tax fee	700	700	-	-
Telephone and fax	9,674	7,801	9,674	7,801
Transportation	9,657	8,708	9,657	8,708
Travel	17,197	44,226	17,197	44,226
Utilities	-	12,776	-	12,776
Total expenditure	2,716,035	3,439,258	2,689,697	2,842,278

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

SINGAPORE MEDICAL ASSOCIATION
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STATEMENTS OF CHANGES IN FUNDS
For the year ended 31 December 2019

	Note	Accumulated fund S$	Deferred capital grant S$	Total S$
GROUP				
Balance as at 01.01.2018		7,770,603	19,877	7,790,480
Addition (net) for the year	10	-	58,365	58,365
Total comprehensive loss for the year		(672,316)	-	(672,316)
Balance as at 31.12.2018 and 01.01.2019		7,098,287	78,242	7,176,529
Addition (net) for the year	10	-	(36,386)	(36,386)
Total comprehensive income for the year		546,471	-	546,471
Balance as at 31.12.2019		7,644,758	41,856	7,686,614
ASSOCIATION				
Balance as at 01.01.2018		4,888,250	19,877	4,908,127
Addition (net) for the year	10	-	58,365	58,365
Total comprehensive loss for the year		(79,738)	-	(79,738)
Balance as at 31.12.2018 and 01.01.2019		4,808,512	78,242	4,886,754
Addition (net) for the year	10	-	(36,386)	(36,386)
Total comprehensive loss for the year		(49,690)	-	(49,690)
Balance as at 31.12.2019		4,758,822	41,856	4,800,678

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

SINGAPORE MEDICAL ASSOCIATION
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CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2019

	Note	2019 S$	2018 S$
Cash flows from operating activities			
Surplus/(Deficit) before taxation		546,993	(672,662)
Adjustments for:-			
Depreciation of property, plant and equipment		125,561	112,061
Depreciation of right-of-use assets		147,525	-
Allowance for credit losses		87,750	40,400
Fair value adjustment		(604,680)	575,144
Interest expense		14,208	-
Interest income		(15,733)	(15,578)
Amortisation of deferred capital grant		(47,940)	(44,088)
Operating cash flow before working capital changes:-		253,684	(4,723)
Decrease/(Increase) in trade and other receivables		103,879	(222,620)
Increase in other payables and accruals		50,674	108,961
Increase in deferred capital grant		11,554	102,453
Cash generated from/(used in) operations		419,791	(15,929)
Income tax paid		-	(7,285)
Net cash generated from/(used in) operating activities		419,791	(23,214)
Cash flows from investing activities			
Purchase of plant and equipment		(30,320)	(240,207)
Interest received		15,585	15,825
Fixed deposit pledged		(384)	(168)
Additional of quoted investment		-	(1,000,000)
Net cash used in investing activities		(15,119)	(1,224,550)
Cash flows from financing activities			
Interest paid		(14,208)	-
Payment of principal portion of lease liabilities		(142,738)	-
Net cash used in financing activities		(156,946)	-
Net decrease in cash and cash equivalents		247,726	(1,247,764)
Cash and cash equivalents at beginning of year		1,529,626	2,777,390
Cash and cash equivalents at end of year	10	1,777,352	1,529,626

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

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

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

1. GENERAL

Singapore Medical Association (the "association") is registered under the Societies Act in the Republic of Singapore. The registered office and principal place of business of the association is located at 2985 Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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

The financial statements for the year ended 31 December 2019 are authorised for issue by the Council of the association on 27 March 2020.

The financial statements are presented in Singapore dollar.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

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

In the current financial year, the group has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2019. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

FRS 116 *Leases*

FRS 116 supersedes FRS 17 Leases. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the statement of financial position.

The group adopted FRS 116 using the modified retrospective method of adoption with the date of initial application of 1 January 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application as an adjustment to the opening balance of retained earnings where applicable. The group elected to use the transition practical expedient to not reassess whether a contract is, or contains a lease at 1 January 2019. The group applied the standard only to contracts that were previously identified as leases applying FRS 17 at the date of initial application.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) **Basis of Preparation** (Continued)

FRS 116 *Leases* (Continued)

There have been no effect of adopting FRS 116 to the financial statements of the group as at 1 January 2019, as the group opted to recognise the lease as right-of-use asset and lease liability at the date of initial application.

The group has lease contract for leasehold office building and copier machine. Before the adoption of FRS 116, the group classified each of its leases (as lessee) at the inception of date as an operating lease. The accounting policy prior to 1 January 2019 is disclosed in Note 2(m) to the financial statements.

Upon adoption of FRS 116, the group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The accounting policy beginning on and after 1 January 2019 is disclosed in Note 2(m) to the financial statements. The standard provides specific transition requirements and practical expedients, which have been applied by the group.

Leases previously accounted for as operating leases

The group recognised right-of-use asset and lease liability for leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use asset for the leases was recognised based on the carrying amount as if the standard has always been applied, using the incremental borrowing rate at the date of initial application. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

The group also applied the available practical expedients wherein it:

- used a single discount rate to a portfolio of leases with reasonably similar characteristics;
- relied on its assessment of whether leases are onerous immediately before the date of intial application as an alternative to performing an impairment review;
- applied the short-term leases exemption to leases with lease term that ends within 12 months of the date of initial application;
- excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application; and
- used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

a) Basis of Preparation (Continued)

FRS 116 *Leases* (Continued)

Leases previously accounted for as operating leases (Continued)

Based on the above, as at 1 January 2019:

- right-of-use asset of S$286,206 (Note 5);
- a lease liability of S$286,206 (Note 13); and
- no adjustment had been made to retained earnings as a result of adoption of FRS 116 at initial application as at 1 January 2019. Comparative information is not restated.

0The lease liability as at 1 January 2019 can be reconciled to the operating lease commitment as of 31 December 2018, as follows:

	S$
Operating lease commitment disclosed as at 31 December 2018	304,992
Weighted average incremental borrowing rate as at 1 January 2019	7.6%
Discounted lease liability as at 1 January 2019	286,206

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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Useful lives of plant and equipment

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

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

Critical judgements made in applying accounting policies

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

Impairment of property, plant and equipment

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

Allowance for expected credit losses

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

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

Impairment of investment in subsidiary

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) Basis of Consolidation

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

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

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

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

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

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;

- de-recognises the carrying amount of any non-controlling interest;

- de-recognises the cumulative translation differences recorded in equity;

- recognises the fair value of the consideration received;

- recognises the fair value of any investment retained;

- recognises any surplus or deficit in profit or loss;

- re-classifies the group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Plant and Equipment and Depreciation

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

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

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

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

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

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

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

e) Investment in Subsidiary

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

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

f) Cash and Cash Equivalents

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

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.

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

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

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

Subsequent measurement

Investment in debt instrument

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the group's business model for managing them.

Amortised cost

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

Investment in equity instruments

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

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

g) **Financial Assets** (Continued)

Derecognition

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

Impairment of financial assets

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

i) **Financial Liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

j) **Provisions**

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) **Provisions** (Continued)

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.

k) **Contingencies**

A contingent liability is:-

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

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

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

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

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

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

l) **Currency Translations**

Functional and presentation currency

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

Transactions and balances

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Leases**

These accounting policies are applied on and after the initial application date of FRS 116, 1 January 2019:

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

As lessee

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

Right-of-use asset

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

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

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

Lease liabilities

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Leases** (Continued)

Lease liabilities (Continued)

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

The group's lease liability is disclosed in Note 10 to the financial statements.

These accounting policies are applied before the initial application date of FRS 116, 1 January 2019:

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.

n) **Revenue Recognition**

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

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

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

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

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

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

Interest income is recognised using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

n) Revenue Recognition (Continued)

Rebates and miscellaneous income are recognised when due.

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

o) Government Grants

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

p) Taxation

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

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

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

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

q) Key Management Personnel

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

r) Employee Benefits

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

s) Employee Leave Entitlement

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

3. PLANT AND EQUIPMENT

Group	Computers	Computer software	Air Conditioners	Equipment, furniture and fittings	Renovations	Total
			S$	S$	S$	S$
Cost						
At 01.01.2018	131,842	158,151	46,947	183,256	122,477	642,673
Additions	1,905	-	14,204	53,914	170,184	240,207
Disposal	(16,559)	-	(46,947)	(88,996)	(119,841)	(272,343)
At 31.12.2018/01.01.2019	117,188	158,151	14,204	148,174	172,820	610,537
Additions	12,848	15,000	-	2,472	-	30,320
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019	115,993	173,151	14,204	129,261	172,820	605,429
Accumulated Depreciation						
At 01.01.2018	131,842	61,982	46,947	175,895	122,477	539,143
Charge for the year	1,905	48,083	4,735	23,301	34,037	112,061
Disposal	(16,559)	-	(46,947)	(88,996)	(119,841)	(272,343)
At 31.12.2018/01.01.2019	117,188	110,065	4,735	110,200	36,673	378,861
Charge for the year	12,848	53,085	4,735	20,856	34,037	125,561
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019	115,993	163,150	9,470	109,671	70,710	468,994
Net Book Value						
At 31.12.2019	-	10,001	4,734	19,590	102,110	136,435
At 31.12.2018	-	48,086	9,469	37,974	136,147	231,676

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Association	Computers	Computer Software	Air Conditioners	Equipment, furniture and fittings	Renovations	Total
			S$	S$	S$	S$
Cost						
At 01.01.2018	131,842	147,276	45,247	159,503	122,477	606,345
Additions	1,905	-	14,204	53,914	170,184	240,207
Disposal	(16,559)	-	(45,247)	(82,592)	(119,841)	(264,239)
At 31.12.2018/01.01.2019	117,188	147,276	14,204	130,825	172,820	582,313
Additions	12,848	15,000	-	2,472	-	30,320
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019	115,993	162,276	14,204	111,912	172,820	577,205
Accumulated Depreciation						
At 01.01.2018	131,842	58,358	45,247	152,277	122,477	510,201
Charge for the year	1,905	44,458	4,735	23,233	34,037	108,368
Disposal	(16,559)	-	(45,247)	(82,592)	(119,841)	(264,239)
At 31.12.2018/01.01.2019	117,188	102,816	4,735	92,918	36,673	354,330
Charge for the year	12,848	49,460	4,735	20,788	34,037	121,868
Disposal	(14,043)	-	-	(21,385)	-	(35,428)
At 31.12.2019	115,993	152,276	9,470	92,321	70,710	440,770
Net Book Value						
At 31.12.2019	-	10,000	4,734	19,591	102,110	136,435
At 31.12.2018	-	44,460	9,469	37,907	136,147	227,983

4. INVESTMENT IN SUBSIDIARY

	Association 2019	2018
	S$	S$
Unquoted equity shares, at cost		
Balance at beginning of the year	3,314,000	2,314,000
Additional during the year	-	1,000,000
Balance at end of the year	3,314,000	3,314,000

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

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

5. RIGHT-OF-USE ASSETS

	Group and Association	
	2019	2018
	S$	S$
Represented by right-of-use of:		
- Office premises	273,826	-
- Copier machine	12,380	-
	286,206	-
Less: accumulated depreciation		
- Right-of-use of office premises	(136,913)	-
- Right-of-use of copier machine	(10,612)	-
	138,681	-

6. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

		Group
	2019	2018
	S$	S$
Quoted securities		
At fair value through profit or loss (quoted)	5,865,542	5,262,109

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

		Group
	2019	2018
	S$	S$
Singapore dollar	5,864,274	1,451,523
United States dollar	1,268	2,620,002
British Pound	-	360,995
Euro dollar	-	518,562
Swiss Franc	-	96,047
Japanese Yen	-	192,856
Canadian dollar	-	21,493
Hong Kong dollar	-	631
	5,865,542	5,262,109

7. TRADE RECEIVABLES

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Trade receivables				
- Related party	46,481	32,288	46,481	32,288
- Subsidiary	-	-	37,277	49,329
- Third parties	253,503	468,440	253,503	468,440
	299,984	500,728	337,261	550,057

Trade receivables are non-interest bearing and are generally on 0-60 days (2018: 0-60 days) credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:-

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Not past due	252,768	287,090	290,045	336,419
Past due 1 - 3 months	30,688	198,805	30,688	198,805
Past due 3 - 6 months	3,777	11,162	3,777	11,162
Over 6 months	12,751	3,671	12,751	3,671
	299,984	500,728	337,261	550,057

8. SUBCRIPTIONS IN ARREARS

	Group and Association	
	2019	2018
	S$	S$
Subscriptions in arrears	294,079	232,740
Less: Allowance for credit losses	(93,829)	(43,133)
	200,250	189,607
Movements of allowance for credit losses:-		
Balance at beginning of year	43,133	35,599
Addition during the year	93,829	43,133
Allowance written off	(43,133)	(35,599)
Balance at end of year	93,829	43,133

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Other receivable	11,796	5,109	10,745	-
Fixed deposit interest receivable	721	573	-	-
Deposits	51,361	36,379	51,361	36,379
Prepayments	11,982	9,576	11,982	9,016
Grant receivable	-	24,356	-	24,356
	75,860	75,993	74,088	69,751

10. CASH AND BANK BALANCES

Cash and bank balances	1,081,027	424,429	982,065	360,323
Fixed deposits	744,695	1,153,183	468,936	831,829
	1,825,722	1,577,612	1,451,001	1,192,152
Less: Fixed deposit pledged	(48,370)	(47,986)	(48,370)	(47,986)
Cash and cash equivalents	1,777,352	1,529,626	1,402,631	1,144,166

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

The fixed deposits bear interest rate at 1.4% to 1.4292% (2018: 0.35% to 1.86%) per annum and mature within 90 days to 365 days (2018: 90 days to 365 days).

11. DEFERRED CAPITAL GRANT

	Group and Association	
	2019	2018
	S$	S$
Balance at beginning of year	78,242	19,877
Additions during the year	11,554	102,453
Less: Amortisation for the year	(47,940)	(44,088)
Balance at end of year	41,856	78,242

The deferred capital grant is related to grant provided by Enterprise Singapore for certain plant and equipment of the association. The deferred capital grant is amortised over 3 years to compensate depreciation of plant and equipment.

12. OTHER PAYABLES AND ACCRUALS

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Other payables	43,094	33,070	43,094	33,070
Accruals	180,509	137,322	176,209	132,922
Contract liabilities	488,267	490,804	488,267	490,804
	711,870	661,196	707,570	656,796

Revenue recognised in 2019 which was included in the deferred income balance at beginning of the year was S$130,904.

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 31 December 2019 is S$488,267 (2018: S$490,804). The group expects to recognise revenue relating to the transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as below:-

	Group and Association	
	2019	2018
	S$	S$
Within one year	108,267	130,904
Within two to five years	248,000	214,700
More than five years	132,000	145,200
	488,267	490,804

13. LEASES – Group and Association

The group as a lessee

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

(a) Lease liability

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

			Non-cash changes	
			Accretion of	
	1 January 2019	Cash flows	Interest	31 December 2019
	S$	S$	S$	S$
Lease liability:-				
- Current	286,206	(156,946)	14,208	143,468

13. LEASES – Group and Association (Continued)

The group as a lessee (Continued)

(b) Amount recognised in profit or loss

	2019 S$
Depreciation of right-of-use assets	147,525
Interest expense on lease liabilities	14,208
Total amount recognised in profit or loss	161,733

(c) Total cash outflows

The group had total cash outflows for leases of S$156,946 in 2019.

(d) Lease options

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

14. TAXATION

	Group		Association	
	2019 S$	2018 S$	2019 S$	2018 S$
Income tax expense:-				
- Current year	522	-	-	-
- Over provision in prior year	-	(346)	-	-
Tax expense/(benefit)	522	(346)	-	-

14. TAXATION (Continued)

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

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Surplus/(Deficit) before taxation	546,993	(672,662)	(49,690)	(79,738)
Tax expenses/(benefit) calculated at a tax rate of 17%	92,989	(114,354)	(8,447)	(13,555)
Expenses not tax deductible	2,970	4,528	2970	4,528
Over provision in prior years	-	(346)	-	-
Singapore statutory stepped income exemption	(1,373)	-	-	-
Unrecognised deferred tax assets at beginning of year	(109,826)	-	(9,027)	-
Unrecognised deferred tax assets at end of year	32,608	109,826	32,607	9,027
Other	(16,846)	-	(18,103)	-
Tax expense/(benefit)	522	(346)	-	-

As at the end of the reporting period, the group had unutilised losses, unutilised capital allowances and unutilised donation of approximately SNIL, S4,700 and S$53,000 (2018: S$589,000, S$9,200 and S$53,000) respectively and the association had unutilised losses, unutilised capital allowance and unutilised donation of approximately SNIL, S4,700 and S$53,000 (2018: S$NIL, S$9,200 and S$53,000) respectively available to be carried forward to offset against future taxable profits of the group and association subject to agreement with the Comptroller of Income Tax and compliance with the relevant provision of the Income Tax Act. No deferred tax asset is recognised due to uncertainty of its recovery.

15. OPERATING LEASE COMMITMENTS

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

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

	Group and Association 2018 S$
Within one year	156,946
Within two to five years	148,046
	304,992

Minimum lease payments that had been recognised as an expense in profit or loss for the financial year ended 31 December 2018 amounted to S$156,946. As disclosed in Note 2(a), the group has adopted FRS 116 on 1 January 2019. These lease payments have been recognised as right-of-use asset and lease liability on the statement of financial position as at 31 December 2019, except for short-term and low value leases.

16. RELATED PARTY TRANSACTIONS

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

		Group		Association
	2019	2018	2019	2018
	S$	S$	S$	S$
Donation expense	-	20,000	-	20,000
Management fee income	43,440	30,120	79,028	77,760
Key management personnel compensation (Executive director)	-	65,617	-	65,617

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

17. CAPITAL MANAGEMENT

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

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

17. CAPITAL MANAGEMENT (Continued)

The group has no externally imposed capital requirements.

18. FINANCIAL RISK MANAGEMENT

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

Credit Risk

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

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

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

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

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

Trade receivables

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

18. FINANCIAL RISK MANAGEMENT (Continued)

Credit Risk (Continued)

Subscription in arrears

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

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

Financial assets that are either past due and/or impaired

Information regarding financial assets that are past due but not impaired is disclosed in Note 7 to the financial statements.

Financial assets that are neither past due nor impaired

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

Price Risk

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

Liquidity Risk

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

18. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk

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

	Group 2019			
	Carrying amount S$	Total contractual undiscounted cash flow S$	Within 12 months or on demand S$	Between 2 to 5 years S$
Other payables and accruals	711,870	711,870	711,870	-
Lease liabilities	143,468	155,724	155,724	-
	855,338	867,594	867,594	-

	Group 2018			
	Carrying amount S$	Total contractual undiscounted cash flow S$	Within 12 months or on demand S$	Between 2 to 5 years S$
Other payables and accruals	661,196	661,196	661,196	-

	Association 2019			
	Carrying amount S$	Total contractual undiscounted cash flow S$	Within 12 months or on demand S$	Between 2 to 5 years S$
Other payables and accruals	707,570	707,570	707,570	-
Lease liabilities	143,468	155,724	155,724	-
	851,038	863,294	863,294	-

18. FINANCIAL RISK MANAGEMENT (Continued)

Liquidity Risk (Continued)

	2018			
	Carrying amount S$	Total contractual undiscounted cash flow S$	Within 12 months or on demand S$	Between 2 to 5 years S$
Other payables and accruals	656,796	656,796	656,796	-

Interest Rate Risk

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

19. FAIR VALUE

Fair value of financial instruments carried at fair value

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

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

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

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

The quoted securities instruments at fair value of S$5,865,542 (2018: S$5,262,109) 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. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	Group		Association	
	2019	2018	2019	2018
	S$	S$	S$	S$
Financial assets				
Financial assets at fair value through profit or loss:-				
Quoted equity securities	5,865,542	5,262,109	-	-
Amortised cost:-				
Trade receivables	299,984	500,728	337,261	550,057
Subscription in arrears	200,250	189,607	200,250	189,607
Other receivables and deposits	62,827	61,308	62,106	60,735
Cash and bank balances	1,825,722	1,577,612	1,451,001	1,192,152
Total financial assets	8,254,325	7,591,364	2,050,618	1,992,551
Financial liabilities				
Amortised cost:-				
Other payables and accruals	208,819	158,274	204,519	153,874
Lease liabilities	143,468	-	-	-
Total financial liabilities	352,287	158,274	204,519	153,874

21. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2020. The council members expect that adoption of these accounting standards or interpretations will have no material impact on financial statements.

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

AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019

LAU/TZC

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DIRECTORS' STATEMENT

The directors present their statement to the member together with the audited financial statements of Singapore Medical Association Pte Ltd (the "company") for the year ended 31 December 2019.

1. OPINION OF THE DIRECTORS

In the opinion of the directors,

i) the accompanying financial statements together with the notes thereto are drawn up so as to give a true and fair view of the financial position of the company as at 31 December 2019, and the financial performance, changes in equity and cash flows of the company for the year ended on that date; and

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

2. DIRECTORS

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

CHIN JING JIH	
LEE YIK VOON	
TAN SZE WEE	
WOON YNG YNG, BERTHA	
WONG TIEN HUA	
LIM KHENG CHOON	
LOO KAI GUO, BENNY	
NG CHEE KWAN	(Appointed on 15 May 2019)
LEE HSIEN CHIEH	(Appointed on 15 May 2019)

3. ARRANGEMENTS TO ACQUIRE SHARES OR DEBENTURES

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

4. DIRECTORS' INTEREST IN SHARES OR DEBENTURES

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

5. SHARE OPTIONS

During the financial year, there were:

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

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

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

6. AUDITOR

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

On behalf of the Board,

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

27 March 2020

DAVID YEUNG PAC

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Pte Ltd (the "company"), which comprise the statement of financial position of the company as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the company as at 31 December 2019 and of the financial performance, changes in equity and cash flows of the company for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 27 March 2020

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 S$	2018 S$
ASSETS			
Non-current asset			
Plant and equipment	3	-	3,693
Total non-current asset		-	3,693
Current assets			
Financial assets at fair value through profit or loss	4	5,865,542	5,262,109
Other receivables and prepayment	5	1,772	6,242
Cash and cash equivalents	6	337,444	336,131
Total current assets		6,204,758	5,604,482
Total assets		6,204,758	5,608,175
EQUITY AND LIABILITIES			
Equity attributable to owner			
Share capital	7	3,314,000	3,314,000
Accumulated profits		2,885,936	2,289,775
Total equity		6,199,936	5,603,775
Current liabilities			
Accruals		4,300	4,400
Provision for taxation		522	-
Total current liabilities		4,822	4,400
Total equity and liabilities		6,204,758	5,608,175

The notes set out on pages 10 to 24 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 2019

	Note	2019 S$	2018 S$
Revenue	8	49,196	47,129
Other revenue	9	609,413	4,567
Operating expenses		(61,926)	(644,619)
Profit/(Loss) before taxation	10	596,683	(592,923)
Taxation	11	(522)	346
Net profit/(loss) and total comprehensive income/(loss) for the year		596,161	(592,577)

The notes set out on pages 10 to 24 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 2019

	Share Capital S$	Accumulated Profits S$	Total Equity S$
Balance as at 01.01.2018	2,314,000	2,882,352	5,196,352
Issuance of shares (Note 7)	1,000,000	-	1,000,000
Total comprehensive loss for the year	-	(592,577)	(592,577)
Balance as at 31.12.2018/01.01.2019	3,314,000	2,289,775	5,603,775
Total comprehensive income for the year	-	596,161	596,161
Balance as at 31.12.2019	3,314,000	2,885,936	6,199,936

The notes set out on pages 10 to 24 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 2019

	2019	2018
	S$	S$
Cash flows from operating activities		
Profit/(Loss) before taxation	596,683	(592,923)
Adjustments for:-		
Depreciation of plant and equipment	3,693	3,693
Fair value adjustments	(604,680)	575,144
Interest income	(4,553)	(4,567)
Operating cash flows before changes in working capital	(8,857)	(18,653)
Decrease in other receivables	5,865	6,604
Decrease in other payables and accruals	(100)	(50)
Cash used in operations	(3,092)	(12,099)
Income tax paid	-	(7,285)
Net cash used in operating activities	(3,092)	(19,384)
Cash flows from investing activities		
Interest received	4,405	4,814
Issuance of shares	-	1,000,000
Acquisition of quoted investment	-	(1,000,000)
Net cash generated from investing activities	4,405	4,814
Net increase/(decrease) in cash and cash equivalents	1,313	(14,570)
Cash and cash equivalents at beginning of year	336,131	350,701
Cash and cash equivalents at end of year	337,444	336,131

The notes set out on pages 10 to 24 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 2985, Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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

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

The financial statements of the company for the year ended 31 December 2019 are authorised for issue in accordance with a resolution of the directors on 27 March 2020.

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 2019. 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 intends 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.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

c) **Plant and Equipment**

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

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

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

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

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

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

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

d) **Financial Assets**

Initial recognition and measurement

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

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

Subsequent measurement

<u>Investment in debt instrument</u>

Subsequent measurement of debt instruments depends on the financial asset's contractual cash flow characteristics and the company's business model for managing them.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) **Financial Assets** (Continued)

Subsequent measurement (Continued)

Amortised cost

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

Investment in equity instruments

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

Derecognition

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

Impairment of financial assets

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Impairment of Non-Financial Assets

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

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

f) Cash and Cash Equivalents

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

g) **Share Capital**

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

h) **Financial Liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

Financial liabilities at amortised cost

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

De-recognition

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

i) **Provisions**

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) **Revenue Recognition**

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

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

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

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

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

Interest income is recognised using the effective interest method.

k) **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.

l) **Government Grant**

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

m) **Contingencies**

A contingent liability is:-

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

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

m) **Contingencies** (Continued)

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.

n) **Taxation**

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

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

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

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

o) **Currency Translation**

Functional and presentation currency

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

Transactions and balances

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

3. PLANT AND EQUIPMENT

	Air Conditioners	Computer Software	Equipment, Furniture and Fittings	Total
	S$	S$	S$	S$
Cost				
At 01.01.2018	1,700	10,875	23,753	36,328
Disposal	(1,700)	-	(6,403)	(8,103)
At 31.12.2018/01.01.2019/31.12.2019	-	10,875	17,350	28,225
Accumulated Depreciation				
At 01.01.2018	1,700	3,625	23,618	28,943
Disposal	(1,700)	-	(6,404)	(8,104)
Charge for the year	-	3,625	68	3,693
At 31.12.2018/01.01.2019	-	7,250	17,282	24,532
Charge for the year	-	3,625	68	3,693
At 31.12.2019	-	10,875	17,350	28,225
Net Book Value				
At 31.12.2019	-	-	-	-
At 31.12.2018	-	3,625	68	3,693

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2019	2018
	S$	S$
At fair value through profit or loss (quoted)	5,865,542	5,262,109

4. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS (Continued)

	2019 S$	2018 S$
Financial assets at fair value through profit or loss are denominated in following currencies:-		
Singapore dollar	5,864,274	1,451,523
United States dollar	1,268	2,620,002
British Pound	-	360,995
Euro dollar	-	518,562
Swiss Franc	-	96,047
Japanese Yen	-	192,856
Canadian dollar	-	21,493
Hong Kong dollar	-	631
	5,865,542	5,262,109

5. OTHER RECEIVABLES AND PREPAYMENT

GST receivable	1,051	5,109
Interest receivable	721	573
Prepayments	-	560
	1,772	6,242

6. CASH AND CASH EQUIVALENTS

Cash and bank balances	61,685	14,777
Fixed deposits	275,759	321,354
	337,444	336,131

The fixed deposits bear interest rate ranging at 1.4856% to 1.8% (2018: 1.41% to 1.86%) per annum with the tenures of deposits up to twelve months.

7. SHARE CAPITAL

	No. of Share	2019 S$	No. of Share	2018 S$
Balance at beginning of year	3,314,000	3,314,000	2,314,000	2,314,000
Issuance during the year	-	-	1,000,000	1,000,000
Balance at end of year	3,314,000	3,314,000	3,314,000	3,314,000

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.

8. REVENUE

	2019	2018
	S$	S$
CPR course fees	7,392	18,533
Commission income	14,604	14,196
Healthcare course fees	27,200	-
e2i Training grant	-	14,400
	49,196	47,129

9. OTHER REVENUE

Fair value gain on financial assets at fair value through profit or loss	604,680	-
Interest income on bank deposits	4,553	4,567
Sundry income	180	-
	609,413	4,567

10. PROFIT /(LOSS) BEFORE TAXATION

Profit/(Loss) before taxation is arrived at after deducting the following items:-		
CPR course expenses	4,259	22,800
Depreciation of plant and equipment	3,693	3,693
Fair value loss on financial assets at fair value through profit or loss	-	575,144
Healthcare course expenses	22,570	11,238
Management fees	24,132	24,132

11. TAXATION

Income tax expense:-		
- Current year	522	-
- Over provision in priors years	-	(346)
Tax expense/(benefit)	522	(346)

11. TAXATION (Continued)

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

	2019	2018
	S$	S$
Profit/(Loss) before taxation	596,683	(592,923)
Tax expense/(benefit) calculated at a tax rate of 17%	101,436	(100,797)
Overprovision in prior years	-	(346)
Singapore statutory stepped income exemption	(1,373)	-
Others	-	1,256
Unrecognised deferred tax assets at beginning of year	(99,541)	-
Unrecognised deferred tax assets at end of year	-	99,541
Tax expense/(benefit)	522	(346)

As at the end of the reporting period, the company had unutilised losses approximately S$NIL (2018: US$589,000) available to be carried forward to offset against future taxable profits of the company subject to agreement with the Comptroller of Income Tax and compliance with the relevant provision of the Income Tax Act. No deferred tax asset was recognised due to uncertainty of its recovery.

12. SIGNIFICANT RELATED PARTY TRANSACTIONS

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

	2019	2018
	S$	S$
With holding entity		
Management fee expenses	24,132	24,132
CPR course expenses	1,040	12,270
Healthcare course expenses	10,416	11,238

13. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2019	2018
	S$	S$
Financial assets		
Financial assets at fair value through profit or loss:-		
Quoted securities	5,865,542	5,262,109
Amortised cost:-		
Other receivables	721	573
Cash and cash equivalents	337,444	336,131
	6,203,707	5,598,813
Financial liabilities		
Amortised cost:-		
Other payables and accruals	4,300	4,400
	4,300	4,400

14. CAPITAL MANAGEMENT

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

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

The company has no externally imposed capital requirements.

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

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Credit Risk

The company has no concentration of credit risk.

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

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

Liquidity Risk

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

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

Interest Rate Risk

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

Price Risk

The company is exposed to equity securities price risk arising from the investments held by the company which are classified in the statement of financial position as financial assets at fair value through profit or loss. To manage the price risk, the company through stockbroker monitors share prices on a daily basis.

16. FAIR VALUE

Fair value of financial instruments carried at fair value

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

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

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

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

16. FAIR VALUE (Continued)

The quoted securities instruments at fair value of S$5,865,542 (2018: S$5,262,109) is based on quoted price which is included in Level 1.

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

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

17. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2020. The directors does not expect that adoption of these accounting standards or interpretations will have a material impact on the company's financial statements.

SINGAPORE MEDICAL ASSOCIATION PTE LTD
(UEN: 200002170N)

DETAILED PROFIT AND LOSS ACCOUNT
For the year ended 31 December 2019

	2019	2018
	S$	S$
Income		
CPR course fees	7,392	18,533
Commission income	14,604	14,196
Healthcare course fees	27,200	-
Fair value gain on financial assets at fair value through profit or loss	604,680	-
Interest income on bank deposits	4,553	4,567
Sundry income	180	-
e2i Training grant	-	14,400
	658,609	51,696
Less: Expenditure		
Auditors' remuneration	3,000	3,000
Bank charges	102	82
CPR course expenses	4,259	22,800
Depreciation of plant and equipment	3,693	3,693
Fair value loss on financial assets at fair value through profit or loss	-	575,144
General expenses	260	520
Healthcare course expenses	22,570	11,238
Management fees	24,132	24,132
Mask, gloves and gowns	2,400	2,400
Postage and courier	30	155
Printing and stationery	280	155
Secretarial fees	500	600
Tax fee	700	700
	(61,926)	(644,619)
Profit/(Loss) before taxation	596,683	(592,923)

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 2019

LAU/TZC

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

TRUSTEE COMMITTEE

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT BY THE TRUSTEES

In the opinion of the trustees,

(a) the financial statements as set out on pages 5 to 13 are drawn up in accordance with the Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of Singapore Medical Association Trust Fund ("The Fund") as at 31 December 2019 and the financial performance, changes in fund and cash flows of The Fund for the year ended on that date; and

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

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

On behalf of the trustees,

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

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

……………………………………………………...
DR TAN YEW GHEE
Treasurer

Singapore, 27 March 2020

DAVID YEUNG PAC

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Medical Association Trust Fund ("The Fund"), which comprise the statement of financial position of The Fund as at 31 December 2019, the statement of profit or loss and other comprehensive income, statement of changes in fund and statement of cash flows of The Fund for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of The Fund as at 31 December 2019 and of the financial performance, changes in fund and cash flows of The Fund for the year ended on that date.

Basis for Opinion

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

Other Information

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

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

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

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

Responsibilities of Trustees for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

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

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

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 27 March 2020

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

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF FINANCIAL POSITION
As at 31 December 2019

	Note	2019 S$	2018 S$
ASSET			
Current asset			
Cash and cash equivalents		20,299	77,210
Total asset		20,299	77,210
FUND			
Capital fund	3	21,513	21,513
Accumulated surplus		(1,304)	55,697
Total funds		20,209	77,210
LIABILITY			
Current liability			
Other payable	4	90	-
Total current liability		90	-
Total equity and liability		20,299	77,210

The notes set out on pages 9 to 13 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 2019

	2019 S$	2018 S$
Revenue	-	-
Less: Expenditure		
Bank charges	(1)	-
Donation	(57,000)	-
Deficit before taxation	(57,001)	-
Less: Taxation	-	
Net deficit and total comprehensive loss for the year	(57,001)	-

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

The notes set out on pages 9 to 13 form an integral part of and should be read in conjunction with this set of financial statements.

SINGAPORE MEDICAL ASSOCIATION TRUST FUND

STATEMENT OF CHANGES IN FUND
For the year ended 31 December 2019

	Capital fund S$	Accumulated surplus S$	Total equity S$
Balance as at 01.01.2018	21,513	55,697	77,210
Total comprehensive surplus for the year	-	-	-
Balance as at 31.12.2018/01.01.2019	21,513	55,697	77,210
Total comprehensive deficit for the year	-	(57,001)	(57,001)
Balance as at 31.12.2019	21,513	(1,304)	20,209

The notes set out on pages 9 to 13 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 2019

	2019 S$	2018 S$
Cash flows from operating activities		
Deficit before taxation	(57,001)	-
Changes in working capital:-		
Increase in other payable	90	-
Operating cash flows before changes in wokring capital	(56,911)	-
Net decrease in cash and cash equivalents	(56,911)	-
Cash and cash equivalents at beginning of year	77,210	77,210
Cash and cash equivalents at end of year	20,299	77,210

The notes set out on pages 9 to 13 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 2985 Jalan Bukit Merah, #02-2C SMF Building, Singapore 159457.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

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

In the current financial year, The Fund has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual period beginning on or after 1 January 2019. 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 on the statement of financial position when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

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

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

Subsequent measurement

Amortised cost

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

Derecognition

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

e) **Currency Translations**

Functional and presentation currency

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

Transactions and balances

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

f) Financial Liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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

Derecognition

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

3. CAPITAL FUND

	2019	2018
	S$	S$
Balance at beginning of year and end of year	21,513	21,513

4. OTHER PAYABLE

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

5. RELATED PARTY TRANSACTIONS

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

	2019	2018
	S$	S$
Donation expense	57,000	-

6. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

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

Credit Risk

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

Liquidity Risk

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

7. CATEGORIES OF FINANCIAL INSTRUMENTS

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

	2019	2018
	S$	S$
Asset:		
Financial asset		
At amortised cost:-		
Cash and cash equivalents	20,299	77,210
Total financial asset	20,299	77,210
Liability:		
Financial liability		
At amortised cost:-		
Other payable	90	-
Total financial liability	90	-

8. FAIR VALUES

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

9. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2020. The Fund's trustees expect that the adoption of these standards will have no material impact on the financial statements in the period of initial application.