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**ACADEMY OF MEDICINE, SINGAPORE**  
*(Incorporated in the Republic of Singapore)*

**FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED  
DECEMBER 31, 2006**

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## **ACADEMY OF MEDICINE, SINGAPORE**

*Incorporated in the Republic of Singapore*

(Company Registration No. 197702012E / Charity Registration No. 00043)

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### **DIRECTORS**

<b>Master</b>	Dr. Ho Lai Yun
<b>Assistant Master</b>	Dr. Fock Kwong Ming
<b>Scribe</b>	Dr. Lim Shih Hui
<b>Bursar</b>	Dr. Chan Heng Thye
<b>Assistant Bursar</b>	Dr. Anthony Heng
<b>Censor-in-Chief</b>	Dr. Gilbert Chiang Shih Chuin
<b>Censors</b>	Dr. Chan Yew Weng Dr. Chen Fun Gee Dr. Edward Pang Chee Ping Dr. George Yeo Seow Heong Dr. Lee Kok Onn Dr. Roland Chong Siang Eng
<b>Immediate Past Master</b>	Dr. Low Cheng Hock
<b>Editor, Annals</b>	Dr. Vernon Oh Min-Sen
<b>Chapter Chairmen / Chairpersons</b>	Dr. Chan Siew Luen (Chairperson, Chapter of Dental Surgeons) Dr. Tan Ai Ling (Chairperson, Chapter of Pathologists) Dr. Yap Hwa Ling (Chairperson, Chapter of Psychiatrists) Dr. Lee Lay Tin (Chairperson, Chapter of Public Health & Occupational Physicians)
<b>College Presidents</b>	Dr. Edward Pang Chee Ping (President, College of Anaesthesiologists, Singapore) Dr. Ho Tew Hong (President, College of Obstetricians and Gynaecologists, Singapore) Dr. Lim Shih Hui (President, College of Physicians, Singapore) Dr. Quak Seng Hock (President, College of Paediatrics and Child Health, Singapore) Dr. Tan Kim Ping (President, College of Radiologists, Singapore) Dr. Anthony Heng (President, College of Surgeons, Singapore)

### **COMPANY SECRETARY**

Ms Ch'ng Seik Chan

### **AUDITORS**

Geetha A & Associates  
Certified Public Accountants  
203 Henderson Road  
#11-10 (Wing B)  
Henderson Industrial Park  
Singapore 159546

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## **DIRECTORS' REPORT**

The Council Members have pleasure in presenting their report together with the audited financial statements of the Academy of Medicine, Singapore (herein after referred to as "Academy") for the financial year ended December 31, 2006.

### **1. COUNCIL MEMBERS**

At the date of this report, the Council Members of the Academy are:

<b>Master</b>	Dr. Ho Lai Yun
<b>Assistant Master</b>	Dr. Fock Kwong Ming
<b>Scribe</b>	Dr. Lim Shih Hui
<b>Bursar</b>	Dr. Chan Heng Thye
<b>Assistant Bursar</b>	Dr. Anthony Heng
<b>Censor-in-Chief</b>	Dr. Gilbert Chiang Shih Chuin
<b>Censors</b>	Dr. Chan Yew Weng Dr. Chen Fun Gee Dr. Edward Pang Chee Ping Dr. George Yeo Seow Heong Dr. Lee Kok Onn Dr. Roland Chong Siang Eng
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### **2. PRINCIPAL ACTIVITIES**

The principal activities of the Academy are to advance the art and science of medicine, promote study and research into medical and scientific problems, to sustain and foster postgraduate education and conduct higher professional examinations and to award diplomas.

### **3. REGISTERED OFFICE ADDRESS**

ACADEMY OF MEDICINE, SINGAPORE is registered and domiciled in Singapore with its registered office and principal place of business at 142 Neil Road, Runme Shaw Building, Singapore 088871.

#### **4. STRUCTURE, GOVERNANCE AND MANAGEMENT**

##### **Governing Document**

The Academy of Medicine, Singapore ("Academy") is a charitable company limited by guarantee, incorporated on September 19, 1977 and has been registered as a Charity (Charity registration no: 00043) since October 13, 2004. It has also been granted the status of Institute of Public Character (IPC) by the Ministry of Health, Singapore for a period of 3 years from May 17, 2005 to May 16, 2008.

The Academy was established under a Memorandum of Association which established the objects and powers of the Academy and is governed under its Articles of Association. Each member undertakes to contribute to the assets of the Academy in the event of it being wound up while he is a member, or within one year if he ceases to be a member, for the payment of the debts and liabilities of the Academy contracted before he ceases to be a member and of the costs, charges and expenses of the winding up and for the adjustment of the rights of the contributaries among themselves, such amount as may be required but not exceeding S\$50

##### **Organizational Structure**

Under the requirements of the Memorandum and Articles of Association, the Academy shall have a Council which shall comprise the following:

- a) Councilors elected by the voting members holding the following offices
  - i) Master;
  - ii) Assistant Master;
  - iii) Scribe;
  - iv) Bursar;
  - v) Assistant Bursar;
  - vi) Censor-in-Chief;
  - vii) Censors (6 or 7);
  - viii) Master-Elect or Immediate Past Master (ex-officio);
- b) Editor of Annals, Academy of Medicine, Singapore (ex-officio); and
- c) The Chairmen of Chapters and/or the Chairmen/Presidents of the Colleges
- d) The Master, Assistant Master, Scribe, Bursar, Assistant Bursar, Censor-in-Chief and Master-Elect or Immediate Past Master shall comprise the executive officers of the Academy.

The Council shall have the power to fill casual vacancies in the Council and appoint any Council member or Fellow to any office in the Council as and when necessary except for the post of the Master-Elect.

##### **Membership**

Membership of the Academy shall be divided into five categories known as:

- (a) Fellows;
- (b) Overseas Fellows;
- (c) Honorary Fellows;
- (d) Ordinary Fellows; and
- (e) Associate Members.

#### **4. STRUCTURE, GOVERNANCE AND MANAGEMENT (CONTINUED)**

All Fellows shall have the right to vote and to hold office in the Council. In accordance with Article 10, Overseas Fellows who are present in Singapore shall have the rights to vote.

A Fellow of the Academy will also be admitted as a Fellow of the respective affiliated College of the Academy of Medicine, Singapore in accordance to their area of specialty.

The six affiliated Colleges of the Academy of Medicine, Singapore are:

- a) College of Anaesthesiologists, Singapore
- b) College of Obstetricians and Gynaecologists, Singapore
- c) College of Physicians, Singapore
- d) College of Paediatrics and Child Health, Singapore
- e) College of Radiologists, Singapore
- f) College of Surgeons, Singapore

Within the Academy of Medicine, Singapore, there are also four Chapters:

- a) Chapter of Dental Surgeons
- b) Chapter of Pathologists
- c) Chapter of Psychiatrists
- d) Chapter of Public Health & Occupational Physicians

#### **5. OBJECTIVES AND ACTIVITIES OF THE ACADEMY**

The objects for which the Academy is established are:

- a) *to advance the art and science of medicine;*
- b) *to promote study and research into medical and scientific problems;*
- c) *to sustain and foster postgraduate education; to conduct higher professional examinations and to award diplomas;*
- d) *to grant specialist certification to persons who have fulfilled the criteria laid down;*
- e) *to maintain and promote the highest standards of professional practice;*
- f) *to maintain a high code of ethical conduct amongst its members;*
- g) *to represent, express and give effect to the views and opinions of its members;*
- h) *to enter into any arrangements with any government or other authority that may seem conducive to the Academy's objects, or any of them; and to obtain from such Government or authority any rights, privileges, and concessions which the Academy may think desirable to obtain, and to carry out, exercise, and comply with any such arrangements, rights, privileges and concessions;*
- i) *to protect the interest and dignity of the Academy of Medicine, Singapore*
- j) *to do all such acts and things as are incidental or subsidiary to all or any of the above;*
- k) *to do all such things as are in furtherance of the above objects or any of them and particularly the following provided that nothing shall be done for commercial reasons or solely for profit:*
  - i) *to act as trustees, committee members or managers of any real or personal property given or held upon trust for charitable purposes.*
  - ii) *to accept gifts of any real or personal property for the general purposes of the Academy or for any particular purpose thereof.*

**5. OBJECTIVES AND ACTIVITIES OF THE ACADEMY (CONTINUED)**

- iii) *subject to the provisions of Section 19(2) of the Companies Act, to purchase, take on lease, exchange, or otherwise acquire any real or personal property and any rights or privileges which the Academy may think necessary or convenient for the promotion of its objects, and to construct, alter, repair, and maintain any buildings or erection necessary or convenient for the work of the Academy.*
- iv) *to sell, let, dispose of, grant rights over or turn to account all or any of the property or assets of the Academy as may be thought expedient to the promotion of its objects.*
- v) *to invest the monies of the Academy not immediately required for its purposes in or upon such investments, securities or property as may be thought fit.*
- vi) *to co-operate with and subscribe to any association, society or corporation whose objects shall be charitable and to purchase or otherwise acquire and undertake all or any part of the property, assets, liabilities and engagements of any such association, society or corporation.*
- vii) *subject to the fourth paragraph of the Memorandum, to grant pensions, allowances and gratuities to past or present officers or servants of the Academy or to the dependents of such persons and to establish and maintain or participate in trust funds or schemes (whether contributory or non-contributory) for pensions or other benefits for any such persons as aforesaid.*
- viii) *to do all such other things as are incidental or conducive to the attainment of the above objects or any of them.*

**6. ACHIEVEMENTS AND PERFORMANCE**

**A) Membership**

During the year 2006, the Council admitted 82 new Fellows and membership as at 31st December 2006 stands at 2,158 comprising:

Local Fellows	2,065
Overseas Fellows	91
Honorary Fellows	2

Separately, since inception till date, the Academy has conferred Fellowship on 116 Presidents of Fraternal Overseas Colleges / Academies.

In year 2006, the Academy has also, unfortunately, terminated 15 members due to non payment of subscription fees despite several reminders sent to them. 4 members have also resigned in year 2006.

**B) Publications**

Twelve issues of *Annals* and one Supplement on National Healthcare Group Annual Scientific Congress 2006 were published in 2006.

The journal received 288 free and theme papers for the year.

**C) Schemes Launched In 2006**

**i) Staff Registrar Scheme**

The Academy, after discussion with the MOH, has introduced and implemented the "Staff Registrar Scheme" (SRS). The first batch of SRS trainees has been designated at KK Women's and Children's Hospital.

## **6. ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

The purpose of the SRS is to enable the healthcare institutions in the public sector to employ doctors who are not specialists but are able to provide a middle level of service equivalent to that provided by a registrar or senior registrar. This scheme serves to address the provision of manpower and service in the middle tiers of medical management.

On successful completion of the programme, the trainee will be awarded a Diploma in the specialty by the relevant College/s and the Academy. The Singapore Medical Council (SMC) has given in-principle approval to recognize this Diploma for eligibility for conditional registration (as non-specialists). The Diploma holders can be employed as Staff Registrars, and subsequently to Senior Staff Registrars in the hospitals.

The employing healthcare institutions will have to commit to the SRS trainees and pay a fee of S\$5,000 per trainee per year to the relevant College/s and the Academy to defray the cost of training, materials, and honorariums to the supervisors.

### **ii) Independent Medical Expert**

The Academy introduced a fee of S\$2,000 for each request of an Independent Medical Expert. The sum received would be shared between the Academy, the relevant College and appointed IME. For the Fellow who has accepted the appointment as an IME, the amount represents the Academy's gesture of appreciation for his time and goodwill in writing the report.

### **iii) Events on Continuing Medical Education**

Effective 1 July 2006, the Academy launched a scheme to organize Continuing Medical (CME) events at the request of pharmaceutical companies. The latter would sponsor the event and pay an administrative fee of S\$500 to the Academy for organizing each CME event.

Under this scheme, the Academy held a lunch symposium on Early Detection for Dengue Diagnosis on 5 August and Boi-Rad Laboratories (Singapore) Pte Ltd sponsored the function.

## **D) Congress & Meetings**

### **i) 40<sup>th</sup> Malaysia-Singapore Congress of Medicine**

The 40<sup>th</sup> Malaysia-Singapore Congress of Medicine was organised by the Academy of Medicine of Malaysia and held on 24<sup>th</sup> – 27<sup>th</sup> August 2006 in Sunway Pyramid Convention Centre in Petaling Jaya, Malaysia.

Master, who was the Congress President, and twelve Council Members attended the Opening Ceremony. Apart from Master, some Academicians were invited to speak or/ and chair scientific sessions at the Congress.

### **ii) Representation at Annual Meetings of Fraternal Overseas Colleges & Academies**

The Academy was invited and represented at some Annual Meetings of Fraternal Overseas Colleges & Academies which include the following:

- a) Annual Session of the American College of Physicians – 6<sup>th</sup> – 8<sup>th</sup> April 2006 in Philadelphia, USA
- b) Congress 2006 of The Royal Australasian College of Physicians – 7<sup>th</sup> – 11<sup>th</sup> 2006 May in Cairns, Australia
- c) The International Association of College & Academy Presidents - 12<sup>th</sup> October 2006 in Hong Kong



**6. ACHIEVEMENTS AND PERFORMANCE (CONTINUED)**

- d) The Conjoint Scientific Congress of the College of Surgeons of Hong Kong and the Royal College of Surgeons of Edinburgh hosted by the College of Surgeons of Hong Kong – 10<sup>th</sup> – 13<sup>th</sup> October 2006 in Hong Kong.

**iii) Nominal Sponsorship**

In reaching out to the community, the Academy accorded nominal sponsorship for the 12<sup>th</sup> International Annual Symposium on Male & Female Sexual Dysfunction held in Singapore from 8<sup>th</sup> to 9<sup>th</sup> July 2006.

**E) The Academy's Participation in External Organizations**

The Academy has also played an active role and its members is well represented in several external organizations which include the following:

**i) Specialist Accreditation Board**

Minister for Health, Mr Khaw Boon Wan, appointed Dr Ho Lai Yun, in his capacity as Master, to be a member of the Specialists Accreditation Board. The appointment runs from 12<sup>th</sup> July 2006 to 31<sup>st</sup> March 2007.

**ii) Committee on Review of Table of Surgical Procedures**

Upon the invitation of the MOH, the Academy nominated some 17 representatives for the Committee on Review of Table of Surgical Procedures in 2006.

**iii) Singapore Accreditation Council**

At the invitation of the Singapore Accreditation Council, the Academy nominated two Fellows to sit on two technical committees for the Singapore Laboratory Accreditation Scheme. Their terms of appointment runs for three years from 1<sup>st</sup> July 2006 to 30<sup>th</sup> June 2009.

**iv) Joint Committee on Specialist Training**

As Co-Chairman of the Joint Committee on Specialist Training (JCST), Master had been involved with the reorganization of postgraduate specialist training in Singapore. The year 2006 also witnessed the formation of four Subspecialty Training Committees for Intensive care, Palliative Medicine, Sports Medicine and Neonatology.

**v) Clinical Practical Guidelines**

In response to the Academy's request, the Ministry of Health (MOH) agreed to involve the Academy, its Chapters and the Colleges in the writing of MOH Clinical Practice Guidelines (CPGs ) right from the beginning of the development of the CPGs. The Academy endorsed several CPGs published during the year.

## **7. FINANCIAL REVIEW**

### **A) Main Income**

#### **i) Members' annual subscription**

The main source of income for the Academy is from the annual subscription from its 2,000 over members. The Academy will in turn transfer 25% of the subscription received to the specific College if the payment made by the paying member is also a member of one of the 6 affiliated Colleges. For year 2006, about 21% of the subscription received were transferred to the Colleges.

The Colleges are entitled to 25% of the subscription fees only as the Academy is the provider of a majority of services and acting as a Secretariat to the Colleges. The services provided to the Colleges include the provision of manpower, office space, accounting and financial services et cetera.

#### **ii) Application and Entrance Fees**

For year 2006, a total of \$40,110 was also received as application and entrance fees from members of the medical industry aspiring to be a Fellow of the Academy of Medicine.

#### **iii) Income from Events**

The Academy, as a professional organization, is not only a co-organizer in several medical related events and scientific meetings, it has also played an active role as a professional conference organizer. And in the successful organization of events, the Academy may have a share of any surplus or a secretariat fees for the role it played. Although a total of about \$56,599 was received for year 2006, most of the receipts were in fact, from events which were held in earlier years where the sharing of surplus were only confirmed in year 2006.

Some of the major events which the Academy has earned a share of the surplus or a secretariat / professional fees include the following:

- a) APASL 2000 Commemorative International Congress on Viral Hepatitis, Prevention and Control = \$58,619
- b) 15<sup>th</sup> Singapore Radiological Society Annual Scientific Meeting = \$5,000
- c) 15<sup>th</sup> GSM, College of Anesthesiologists = \$10,040
- d) 1<sup>st</sup> Public Health Conference = \$5,833
- f) Inter-Academy Golf Tournament = \$2,380
- g) Symposium on Medical Litigation Labour Ward Emergencies = \$3,029

On the other hand, the Academy has also absorbed a loss of \$32,218 for the 18<sup>th</sup> Congress of the Asian Association Pediatric Surgeons held in year 2004.

A sum of \$16,808 was also returned to JCST which is the operating surplus for the FRCS Joint Examinations.

## **7. FINANCIAL REVIEW (CONTINUED)**

### **iv) Other Income**

From year 2006 onwards, the Academy has started to impose a service fees for the provision of "Independent Medical Expert" services to the Singapore Police Force. For its role, the Academy will recommend a suitable doctor from Fellow membership to assist the Police Force in the investigation of its coroner's cases. The doctor involved will receive a fee of \$1,000 for their independent report while the Academy will receive \$500 and if the doctor is also a member of the College, the College will also receive a fee of \$500. For this service, a total of about \$20,500 was received out of which \$8,000 was paid out as fees to the doctor and the Colleges involved.

## **B) Expenses**

### **i) Salaries Expenses**

As the Academy is basically a service oriented organization and providing and acting as a Secretariat to all of its 6 affiliated Colleges, more than half of its expenses were in the area of salaries for staff. However, for year 2006, none of its staff's salaries warned more than \$100,000 and only 1 staff was in the range of more than \$50,000.

### **ii) IT and Professional Expenses**

The other main area of expenses are in the IT and professional fees. For IT, it is mainly related to the development / maintenance of the Academy website, internet service expenses and other computer expenses.

For professional services, the main expenses were incurred in the outsourcing of secretariat services for the College of Surgeons and the College of Anaesthesiologists to Orient Explorer (S) Pte Ltd for the months from April 2006 to September 2006.

Other payment for professional fees include audit fees and lawyer's fees.

### **iii) GST Expenses**

The Academy were backdated for its GST registration to 1<sup>st</sup> March 2001 and were made to pay a total GST expenses of \$422,501, out of which \$91,738 were fine and penalty for failure to register for GST when its turnover exceeded the bench mark of S\$1 million in year 2001.

## **C) Conclusion**

For the year ending 2006, the Academy has incurred a deficit of more than \$400,000. This was mainly due to the GST expenses it has to pay for the period from 1<sup>st</sup> March 2001 to 31 December 2006.

And with the formation of the Colleges in August 2005, many of the events and activities were organized by the respective Colleges itself. This has reduced the Academy share of surplus from organizing such activities.

## **D) Year 2007**

Looking forward to year 2007, the Academy will continue with its efforts to increase its membership as well as enhancing its role as an educator and the disbursement of knowledge to its members.

**7. FINANCIAL REVIEW (CONTINUED)**

In year 2007, the Academy will also be organizing the 41<sup>st</sup> Singapore Malaysia Congress of Medicine which is the Academy major event of the year and celebrating its 50<sup>th</sup> Anniversary in July 2007 at the same time.

In order to improve its service to its members, the Academy will also be upgrading and investing in computerizing its accounting services, membership system as well as renovating and expanding its office. In any case, the Academy will continue with its basic principle of prudent management to ensure of its continual success as it has been in the past 50 years.

**8. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITIONS OF SHARES AND DEBENTURES**

The Academy is a company limited by guarantee and has no share capital. None of the directors holding office at then end of the financial year had an interest in the share capital of the Academy that is required to be reported pursuant to Section 201(6)(g) of the Singapore Companies Act, Cap 50.

**9. DIRECTORS' INTEREST IN SHARES AND DEBENTURES**

The Academy is a company limited by guarantee.

There were no shares or debentures in issue in the Academy at the end of the financial year.

**10. COUNCIL MEMBERS' CONTRACTUAL BENEFITS**

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


**11. SHARE OPTION**

The Academy is a company limited by guarantee. As such, there are no share options or unissued shares under option.

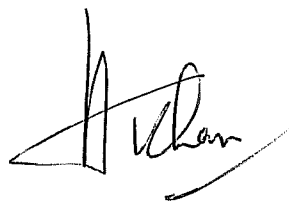
**12. AUDITORS**

The auditors, Geetha A & Associates, have expressed their willingness to accept re-appointment.

**ON BEHALF OF THE BOARD**



**DR. HO LAI YUN**  
MASTER



**DR. CHAN HENG THYE**  
BURSAR

Singapore  
Dated: May 2, 2007

**ACADEMY OF MEDICINE, SINGAPORE**

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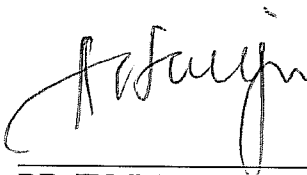
**STATEMENT BY DIRECTORS**

In the opinion of the directors,

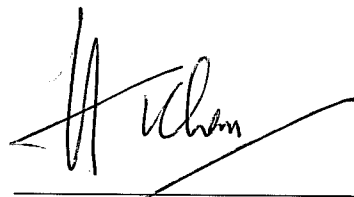
- (a) the financial statements set out on Pages 12 to 32 are drawn up so as to exhibit a true and fair view of the state of affairs of the Academy as at December 31, 2006, the results of the financial activities, changes in funds and cash flows of the Academy for the financial year ended December 31, 2006; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Academy will be able to pay its debts as and when they fall due.

The board of directors authorised these financial statements for issue on May 2, 2007

**ON BEHALF OF THE BOARD**



\_\_\_\_\_  
**DR. HO LAI YUN**  
**MASTER**



\_\_\_\_\_  
**DR. CHAN HENG THYE**  
**BURSAR**

Singapore  
Dated: May 2, 2007

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF ACADEMY OF MEDICINE, SINGAPORE**  
*(Incorporated in the Republic of Singapore)*

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We have audited the accompanying financial statements of ACADEMY OF MEDICINE, SINGAPORE which comprise the balance sheet as at December 31, 2006, and the income and expenditure statement, changes in funds and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

***Directors' Responsibility for the Financial Statements***

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***Auditor's Responsibility***

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

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

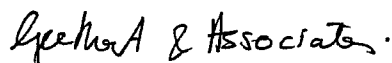
We believe that our audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Opinion***

In our opinion,

- (a) the financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at December 31, 2006 and of the results, changes in funds and cash flows of the Company for the financial year ended on that date; and
- (b) 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.

The financial statements for the previous year were reported by other auditors. The auditors report dated February 10, 2006 issued by the predecessor auditors on the financial statements of the company for the financial year ended December 31, 2005 was unqualified.



**GEETHA A & ASSOCIATES**  
CERTIFIED PUBLIC ACCOUNTANTS

Singapore,  
Date: May 2, 2007

**ACADEMY OF MEDICINE, SINGAPORE**

*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
 (Company Registration No. 197702012E / Charity Registration No. 00043)

**BALANCE SHEET AS AT DECEMBER 31, 2006**

	NOTE	2006 S\$	2005 S\$
<b>FIXED ASSETS</b>	4	2,962,640	3,026,745
<b>CURRENT ASSETS</b>			
Inventories	6	12,785	13,127
Receivables (Members Subscriptions)		155,575	80,250
Other Debtors & Prepayments	7	31,403	22,231
Amount due from Related Companies (Non Trade)	9	5,681	-
Fixed Deposits with Financial Institutions	12	5,562,845	5,848,766
Cash and Bank Balances	12	3,129,517	2,505,327
		8,897,806	8,469,701
<b>LESS: CURRENT LIABILITIES</b>			
Amount due to Related Companies (Non Trade)	9	37,363	8,925
Other Creditors & Accruals	8	797,203	236,017
Deferred Income		64,892	172,984
Subscriptions Received in Advance		2,489	110
		901,947	418,036
<b>NET CURRENT ASSETS</b>		7,995,859	8,051,665
<b>TOTAL ASSETS</b>		<b>10,958,499</b>	<b>11,078,410</b>
<b>THE FUNDS OF THE COLLEGE</b>			
<b><u>Unrestricted Funds</u></b>			
Accumulated Funds		1,200,740	1,609,555
<b><u>Restricted Funds</u></b>			
Chapter of Dental Surgeons		20,560	26,486
Chapter of Pathologists		36,917	37,768
Chapter of Public Health & Occupational Physicians		8,390	508
Chapter of Psychiatrists		1,036	1,487
Annals		619,899	671,970
Building Funds		6,391,639	6,274,086
Common Fund for Advancement of Medicine		329,442	326,982
Dental Advanced Specialists Training		11,183	11,083
Distance Learning Programme		7,110	18,450
Gordan Arthur Ransome Oration		4,417	4,417
Sir David Galloway Memorial		3,736	3,736
Runme Shaw Lecture		95,848	93,152
Seah Cheng Siang Memorial Research Fund		1,336,143	1,296,150
Joint Committee on Specialist Training		891,439	702,580
		9,757,759	9,468,855
<b>TOTAL FUNDS</b>		<b>10,958,499</b>	<b>11,078,410</b>

*The annexed notes form an integral part of and should be read in conjunction with these financial statements*

**ACADEMY OF MEDICINE, SINGAPORE***A Company incorporated in the Republic of Singapore and Limited by Guarantee***(Company Registration No. 197702012E / Charity Registration No. 00043)****INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES  
FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006**

	2006 <u>S\$</u>	2005 <u>S\$</u>
<b>INCOMING RESOURCES</b>		
<b>Incoming Resources From Generated Funds</b>		
<b><u>Voluntary Income</u></b>		
- Cash Donations	112,300	170,800
- Operating Grant – Ministry of Health	81,290	344,548
- Sponsorships	2,000	260
<b><u>Investment Income</u></b>		
- Interest Income	165,038	89,169
<b><u>Charitable Income</u></b>		
- Advertisement	9,200	7,800
- Application Fees - FAMS	8,210	8,150
- Entrance Fees	31,900	51,300
- Exams Fees	65,942	53,447
- Income from Events	56,599	186,249
- Registration Fees – Events	523,974	419,644
- Professional Fees / Charitable Income	6,000	18,900
- Bad debts Recovered	-	31,475
- Subscription Fee from Members	749,487	691,695
- Sales of Inventory	2,063	8,559
- Miscellaneous Income	40,432	55,928
Total Incoming Resources	1,854,435	2,137,924
<b>RESOURCES EXPENDED</b>		
- Charitable Activities Expenses	235,625	197,421
- Other Operating and Administration Costs	1,738,721	1,269,021
Total Resources Expended	1,974,346	1,466,442
Net Movement in Funds	(119,911)	671,482
<b>RECONCILIATION OF FUNDS</b>		
Total funds brought forward	11,078,410	10,406,928
Total funds carried forward	<u>10,958,499</u>	<u>11,078,410</u>

*The annexed notes form an integral part of and should be read in conjunction with these financial statements*



**ACADEMY OF MEDICINE, SINGAPORE**  
*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
 (Company Registration No. 197702012E / Charity Registration No. 00043)

**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2006	UNRESTRICTED FUNDS				RESTRICTED FUNDS				TOTAL
	Accumulated Funds	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP	Chapter of Psychiatrists	Specific Funds (*)	Sub Total		
	2006 S\$	2006 S\$	2006 S\$	2006 S\$	2006 S\$	2006 S\$	2006 S\$	2006 S\$	
<b>INCOMING RESOURCES</b>									
Incoming Resources From Generated Funds									
<b>Voluntary Funds</b>									
- Donations in Cash	-	-	-	-	-	112,300	112,300	112,300	112,300
- Operating Grants	-	-	-	-	-	81,290	81,290	81,290	81,290
- Sponsorships	-	-	2,000	-	-	-	2,000	2,000	2,000
<b>Investment Income</b>									
- Interest Income									
- Current Year	3,487	-	-	-	-	161,551	161,551	161,551	165,038
- Previous Year Adjustment	(14,435)	-	-	-	-	14,435	14,435	14,435	-
<b>Charitable Income</b>									
- Advertisement	-	-	-	-	-	9,200	9,200	9,200	9,200
- Application Fees – FAMS	8,210	-	-	-	-	-	-	8,210	8,210
- Entrance Fees	31,900	-	-	-	-	-	-	31,900	31,900
- Exam Fees	-	-	-	-	-	65,942	65,942	65,942	65,942
- Income from Events – Note 13	50,766	-	-	5,833	-	-	58,333	58,333	56,599
- Registration Fees – Events	-	-	-	-	-	523,974	523,974	523,974	523,974
- Professional Fees	6,000	-	-	-	-	-	-	6,000	6,000
- Subscription	739,659	-	-	-	-	9,828	9,828	9,828	749,487
- Sales of Inventory	2,063	-	-	-	-	-	-	2,063	2,063
- Miscellaneous Income	21,962	978	100	3,991	-	13,401	18,470	40,432	40,432
Total Incoming Resources	849,612	978	2,100	9,824	-	991,921	1,004,823	1,854,435	1,854,435
<b>RESOURCES EXPENDED</b>									
Charitable Activities Expenses	25,577	6,904	2,951	1,942	451	197,800	210,048	235,625	235,625
Other Operating & Administrative Expenses	1,232,850	-	-	-	-	505,871	505,871	1,738,721	1,738,721
Total Resources Expended	1,258,427	6,904	2,951	1,942	451	703,671	715,919	1,974,346	1,974,346
Net Movement in Funds	(408,815)	(5,926)	(851)	7,882	(451)	288,250	288,904	(119,911)	(119,911)
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward	1,609,555	26,486	37,768	508	1,487	9,402,606	9,468,855	11,078,410	11,078,410
Total funds carried forward	1,200,740	20,560	36,917	8,390	1,036	9,690,856	9,757,759	10,958,499	10,958,499

(\* ) Refer to Note 3 of the Notes to the Financial Statement for the Specific Fund details.  
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**ACADEMY OF MEDICINE, SINGAPORE**

*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
(Company Registration No. 197702012E / Charity Registration No. 00043)

**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2005	UNRESTRICTED FUNDS		RESTRICTED FUNDS					TOTAL	
	Accumulated Funds	2005 S\$	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP	Chapter of Psychiatrists	Specific Funds (*)		Sub Total
<b>INCOMING RESOURCES</b>									
Incoming Resources From Generated Funds									
<b>Voluntary Funds</b>									
- Donations in Cash	-	-	-	-	-	-	170,800	170,800	170,800
- Operating Grants	-	-	-	-	-	-	344,548	344,548	344,548
- Sponsorship	-	-	260	-	-	-	-	260	260
<b>Investment Income</b>									
- Interest Income	21,699		-	-	-	-	67,470	67,470	89,169
<b>Charitable Income</b>									
- Advertisement	-		-	-	-	-	7,800	7,800	7,800
- Application Fees – FAMS	8,150		-	-	-	-	-	-	8,150
- Bad Debts Recovered	31,475		-	-	-	-	-	-	31,475
- Entrance Fees	51,300		-	-	-	-	-	-	51,300
- Exams Fees	-		-	-	-	-	53,447	53,447	53,447
- Income from Events – Note 13	186,249		-	-	-	-	-	-	186,249
- Registration Fees – Events	-		-	-	-	-	419,644	419,644	419,644
- Professional Fees	18,900		-	-	-	-	-	-	18,900
- Subscription	686,107		-	-	-	-	5,588	5,588	691,695
- Sales of Inventory	8,559		-	-	-	-	-	-	8,559
- Miscellaneous Income	1,370		1,199	-	-	969	52,390	54,558	55,928
Total Incoming Resources	<b>1,013,809</b>		<b>1,459</b>	<b>1,179</b>	<b>1,179</b>	<b>969</b>	<b>1,121,687</b>	<b>1,124,115</b>	<b>2,137,924</b>
<b>RESOURCES EXPENDED</b>									
Charitable Activities Expenses	25,321		1,484	1,179	-	561	167,790	172,100	197,421
Other Operating & Administrative Expenses	896,369		-	-	-	-	372,652	372,652	1,269,021
Total Resources Expended	<b>921,690</b>		<b>1,484</b>	<b>1,179</b>	<b>1,179</b>	<b>561</b>	<b>540,442</b>	<b>544,752</b>	<b>1,466,442</b>
Net Movement in Funds	<b>92,119</b>		<b>(25)</b>	<b>(1,179)</b>	<b>408</b>	<b>581,245</b>	<b>579,363</b>	<b>671,482</b>	
<b>RECONCILIATION OF FUNDS</b>									
Total funds brought forward	<b>1,517,436</b>		<b>37,793</b>	<b>1,687</b>	<b>1,079</b>	<b>8,821,361</b>	<b>8,889,492</b>	<b>10,406,928</b>	
Total funds carried forward	<b>1,609,555</b>		<b>37,768</b>	<b>508</b>	<b>1,487</b>	<b>9,402,606</b>	<b>9,468,855</b>	<b>11,078,410</b>	

(\*) Refer to Note 3 of the Notes to the Financial Statement for the Specific Fund details.  
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**ACADEMY OF MEDICINE, SINGAPORE**

*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
(Company Registration No. 197702012E / Charity Registration No. 00043)

**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2006	UNRESTRICTED FUNDS		RESTRICTED FUNDS					TOTAL
	Accumulated Funds	2006 S\$	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP	Chapter of Psychiatrists	Specific Funds (*)	
<b>RESOURCES EXPENDED</b>								
<u>Charitable Activities Expenses</u>								
Awards/Grants/Honorarium	500	-	-	-	-	-	3,400	3,400
Accommodation / Airfares	-	3,000	704	-	-	-	17,355	21,059
Bank Charges	-	-	-	-	-	-	725	725
Courier & Postages	14	327	68	142	157	-	25,469	26,177
Depreciation	-	-	-	-	-	-	2,298	2,298
Exam Fees	-	-	-	-	-	-	39,049	39,049
IT Expenses	-	593	53	480	98	-	23,282	24,506
Induction Cornitia Dinner	24,938	-	-	-	-	-	-	24,938
Printing & Stationary	-	16	792	210	-	-	69,954	70,972
Refreshment	125	1,095	941	1,099	39	-	6,600	9,774
Staff Costs	-	-	-	-	-	-	9,172	9,172
Souvenirs & Gifts	-	-	60	-	-	60	-	120
Transport	-	178	23	11	12	-	-	224
Other Expense	-	1,695	310	-	-	85	496	2,586
<b>Total Charitable Activities Expenses</b>	<b>25,577</b>	<b>6,904</b>	<b>2,951</b>	<b>1,942</b>	<b>451</b>	<b>197,800</b>	<b>210,048</b>	<b>235,625</b>

(\*) Refer to Note 3 of the Notes to the Financial Statement for the Specific' Fund details.  
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**ACADEMY OF MEDICINE, SINGAPORE**  
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**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2006	UNRESTRICTED FUNDS					RESTRICTED FUNDS					TOTAL
	Accumulated Funds	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP	Chapter of Psychiatrists	Specific Funds (*)	Sub Total	2006 S\$	2006 S\$	2006 S\$	
<b>RESOURCES EXPENDED</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	<b>2006 S\$</b>	
<b>Other Operating and Administrative Expenses</b>											
Allowances for Members	9,500	-	-	-	-	-	-	-	-	9,500	
Subscription	3,000	-	-	-	-	-	-	-	-	3,000	
Audit Fee	869	-	-	-	-	-	-	-	-	869	
Bank Charges	250	-	-	-	-	-	-	-	-	250	
Bad Debts Written - Off	9,789	-	-	-	-	-	-	-	-	9,789	
Cleaning Expenses	12,792	-	-	-	-	1,055	-	-	-	13,847	
Courier and Postages	457	-	-	-	-	-	-	-	-	457	
Cost of Inventories Sold	12,185	-	-	-	-	62,752	-	-	-	74,937	
Depreciation	93,268	-	-	-	-	-	-	-	-	93,268	
Fines & Penalties	35,298	-	-	-	-	-	-	-	-	35,298	
IT Expenses	1,732	-	-	-	-	-	-	-	-	1,732	
Maintenance of Equipment	8,868	-	-	-	-	11,446	-	-	-	19,314	
Other Expenses	38,236	-	-	-	-	16,189	-	-	-	54,425	
Professional Fees	-	-	-	-	-	4,233	-	-	-	4,233	
Property Tax	-	-	-	-	-	88,972	-	-	-	88,972	
Printing and Stationary	34,944	-	-	-	-	12,000	-	-	-	46,944	
Refreshment	3,015	-	-	-	-	9,911	-	-	-	12,926	
Staff Costs - Note 10	613,761	-	-	-	-	289,929	-	-	-	903,690	
Transport Expenses	423	-	-	-	-	7,229	-	-	-	7,652	
Telecommunication Expenses	3,625	-	-	-	-	2,155	-	-	-	5,780	
Souvenirs	5,527	-	-	-	-	-	-	-	-	5,527	
Utilities	14,548	-	-	-	-	-	-	-	-	14,548	
GST Expenses	330,763	-	-	-	-	-	-	-	-	330,763	
<b>Total Other Operating &amp; Administrative Expenses</b>	<b>1,232,850</b>	-	-	-	-	<b>505,871</b>	-	-	-	<b>1,738,721</b>	

(\*) Refer to Note 3 of the Notes to the Financial Statement for the Specific Fund details  
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**ACADEMY OF MEDICINE, SINGAPORE**  
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 (Company Registration No. 197702012E / Charity Registration No. 00043)

**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2005	UNRESTRICTED FUNDS		RESTRICTED FUNDS						TOTAL
	Accumulated Funds	2005 S\$	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP	Chapter of Psychiatrists	Specific Funds (*)	Sub Total	
RESOURCES EXPENDED	2005 S\$	2005 S\$	2005 S\$	2005 S\$	2005 S\$	2005 S\$	2005 S\$	2005 S\$	2005 S\$
<u>Charitable Activities</u>									
Expenses									
Awards/Grants/Honorarium	1,000	-	-	-	-	-	21,101	21,101	22,101
Accommodation / Airfares	-	-	-	-	-	-	16,542	16,542	16,542
Bank Charges	-	-	-	-	-	-	550	550	550
Courier & Postages	-	211	84	116	197	3,413	4,021	4,021	4,021
Depreciation	-	-	-	-	-	2,250	2,250	2,250	2,250
Exam Fees	-	-	-	-	-	32,145	32,145	32,145	32,145
IT Expenses	-	-	-	-	-	8,483	8,483	8,483	8,483
Induction Cornitia Dinner	22,836	-	-	-	-	-	-	-	22,836
Other Expenses	-	576	282	-	137	1,888	2,883	2,883	2,883
Printing & Stationary	-	-	-	-	-	75,111	75,111	75,111	75,111
Professional Fees	-	-	-	-	-	5,125	5,125	5,125	5,125
Refreshment	-	159	948	970	135	1,182	3,394	3,394	3,394
Souvenirs & Gifts	1,485	-	150	65	60	-	275	275	1,760
Transport Expenses	-	140	20	28	32	-	220	220	220
<b>Total Charitable Activities Expenses</b>	<b>25,321</b>	<b>1,086</b>	<b>1,484</b>	<b>1,179</b>	<b>561</b>	<b>167,790</b>	<b>172,100</b>	<b>172,100</b>	<b>197,421</b>

(\*) Refer to Note 3 of the Notes to the Financial Statement for the Specific Fund details  
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**ACADEMY OF MEDICINE, SINGAPORE**

*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
(Company Registration No. 197702012E / Charity Registration No. 00043)

**INCOME AND EXPENDITURE STATEMENT / STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 (SUPPLEMENTARY)**

YEAR 2005	UNRESTRICTED FUNDS		RESTRICTED FUNDS				TOTAL
	Accumulated Funds	2005 S\$	Chapter of Dental Surgeons	Chapter of Pathologists	Chapter of PH & OP Psychiatrists	Specific Funds (*)	
<b>RESOURCES EXPENDED</b>							
Other Operating and Administrative Expenses							
Allowances for Members Subscription	47,900	47,900	-	-	-	-	47,900
Bank Charges	525	525	-	-	-	-	525
Bad Debts Written - Off	3,910	3,910	-	-	-	-	3,910
Cleaning Expenses	8,967	8,967	-	-	-	-	8,967
Courier and Postages	9,751	9,751	-	-	-	1,042	10,793
Cost of Inventories Sold	3,679	3,679	-	-	-	-	3,679
Depreciation	17,543	17,543	-	-	-	60,404	77,947
Disposal of Fixed Assets	-	-	-	-	-	7,297	7,297
IT Expenses	23,787	23,787	-	-	-	34,704	58,491
Maintenance of Equipment	2,650	2,650	-	-	-	15,161	17,811
Other Expenses	20,773	20,773	-	-	-	22,766	43,539
Professional Fees	9,571	9,571	-	-	-	75,600	85,171
Printing and Stationary	30,293	30,293	-	-	-	10,258	40,551
Staff Costs – Note 10	699,584	699,584	-	-	-	137,173	836,757
Transport Expenses	261	261	-	-	-	3,487	3,748
Telecommunication Expenses	2,677	2,677	-	-	-	4,760	7,437
Utilities	14,498	14,498	-	-	-	-	14,498
<b>Total Other Operating &amp; Administrative Expenses</b>	<b>896,369</b>	<b>896,369</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>372,652</b>	<b>1,269,021</b>

(\*) Refer to Note 3 of the Notes to the Financial Statement for the Specific Fund details.  
The annexed notes form an integral part of and should be read in conjunction with these financial statements

**ACADEMY OF MEDICINE, SINGAPORE***A Company incorporated in the Republic of Singapore and Limited by Guarantee***(Company Registration No. 199702012E / Charity Registration No. 00043)****CASH FLOW STATEMENT FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

	NOTE	2006	2005
		<u>S\$</u>	<u>S\$</u>
<b>Cash Flows From Operating Activities</b>			
(Deficit)/Surplus Before Taxation		(408,815)	92,119
Movement in Specific Funds		288,904	579,363
<i>Adjustments for :</i>			
Depreciation of Fixed Assets		75,389	80,198
Interest Income		(131,426)	(90,856)
Fixed Assets written off		1,846	7,297
Operating Profit Before Working Capital Changes		(174,102)	668,121
Decrease in Inventories		342	3,679
(Increase) in Receivables (Members' Subscription)		(75,325)	(8,850)
(Increase) in Amount due from Related Company		(5,681)	-
(Increase) in Other Debtors & Prepayments		(9,172)	17,693
Decrease in Amount due to Related Company		28,438	-
(Decrease)/ Increase in Other Creditors and Accruals		561,186	(1,378,607)
(Decrease) in Deferred Income		(108,092)	-
(Decrease)/ Increase in Subscriptions in advance		2,379	(3,100)
		394,075	(1,369,185)
<b>Net Cash Generated From Operating Activities</b>		<b>219,973</b>	<b>(701,064)</b>
<b>Cash flows from investing activities</b>			
Purchase of Fixed Assets		(13,130)	(109,244)
Interest Income Received		131,426	61,343
Net Cash flows from investing activities		118,296	(47,901)
<b>Net Increase / (Decrease) in Cash And Cash Equivalents</b>		<b>338,269</b>	<b>(748,965)</b>
<b>Cash And Cash Equivalents At Beginning of Year</b>	12	<b>8,354,093</b>	<b>9,103,058</b>
<b>Cash And Cash Equivalents At End Of Year</b>	12	<b>8,692,362</b>	<b>8,354,093</b>

*The annexed notes form an integral part of and should be read in conjunction with these financial statements*

**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

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

**1. CORPORATE INFORMATION**

The financial statements of Academy of Medicine, Singapore for the financial year ended December 31, 2006 were authorised for issue in accordance with a resolution of the directors on May 2, 2007. Academy of Medicine is a company limited by guarantee, which is incorporated in Singapore.

The principal activities of the Academy are to advance the art and science of medicine, promote study and research into medical and scientific problems, to sustain and foster postgraduate education and conduct higher professional examinations and to award diplomas.

There were no significant changes in the principal activities during the financial year.

The registered office and principal place of business of Academy of Medicine, Singapore is 142 Neil Road, Runme Shaw Building, Singapore 088871.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Basis of Preparation**

The financial statements are expressed in Singapore Dollars and prepared in accordance with the historical cost convention, except as disclosed in the accounts policies below. The financial statements are prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Companies Act and observed the recommendations in the Recommended Accounting Practice 6 Accounting and Reporting by Charities.

The Academy has not applied any new/revised FRS or interpretation that have been issued as of the balance sheet date but are not yet effective. The initial application of these standards and interpretation are not expected to have any material impact of the Academy's financial statements.

**2.2 Revenue Recognition**

Income from members' subscriptions is recognized as revenue at the time when the subscriptions become due and payable. Revenue from specialist training fees and secretarial fees are recognised on an accrual basis. Revenue from entrance fees is recognized when members are accepted and elected by the Academy's Council. Operating grants are recognized on a cash basis. Interest Income is recognized on an accrual basis

**2.3 Income Tax**

The Academy has been granted tax exempt status as a charitable institution. The tax exempt status is subject to the Academy's compliance with provisions of the Singapore Income Tax Act and agreement by the Comptroller of Income Tax.



NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006

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

**2.4 Functional Currency**

The functional currency of the Company is in Singapore (S\$) Dollars. As income and expenditure are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore Dollars, the directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the Company.

**2.5 Receivables**

Receivables are carried at anticipated realizable value. An estimate is made for doubtful debts based on a review of all outstanding amounts at year end. Bad Debts are written off in the financial year in which they are identified.

**2.6 Fixed Assets and Depreciation**

Fixed Assets are stated at cost of purchase less accumulated depreciation and provision for impairment of loss.

No depreciation is charged on freehold land as the Council Members consider that the economic life and residual value of freehold land are such that depreciation is not significant. However, where in the opinion of the Council Members and based on independent professional valuation, such value has been impaired, an allowance for impairment loss would be made.

Depreciation is calculated on a straight-line basis to write off the cost of other fixed assets over their estimated useful lives. The estimated useful lives are as follows:

Building	50 years
Office Furniture & Equipment	5 to 10 years
Computers	3 years

**2.7 Building & Endowment Fund**

The building and Endowment Fund (formerly known as building fund) was set up to finance the construction and maintenance of the Academy's main office premises. Funds received for such purpose are credited to the Building & Endowment. Interest earned from funds deposited with financial institutions is recognized on an accrual basis and credited to the building & Endowment fund. Depreciation of fixed assets financed by the Building & Endowment Fund is transferred to and matched against the Building & Endowment Fund for the financial year in which depreciation is charged. Provision for impairment loss on freehold land and building is adjusted to the Building & Endowment Fund.

**2.8 Inventories**

Inventories refers to Gold Medals for distinguished guests. Inventories are valued at the lower of cost and net realisable value. Cost is determined on the first in first out basis method. In arriving at net realisable value, due allowance is made for obsolete and slow moving items.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs necessary to make the sale.

**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

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

**2.9 Specific Funds**

The Specific funds were set up to finance the Academy's principal activities.

Funds received from subscriptions, donations and other earmarked receipts for such activities are credited to their individual accounts accordingly. Expenditure incurred in the promotion of activities financed by the Specific Funds is debited to their respective accounts.

The Specific funds were set up for the following purposes.

<b>Name of Fund</b>	<b>Purpose</b>
Building & Endowment Fund	This fund is established from the donation from its members for the maintenance of its premise.
Gordon Arthur Ransome Oration Fund	Established in 1971, the Gordon Arthur Ransome Oration is open to distinguished members of the medical profession and the public by invitation. The Oration is held biennially in conjunction with the Congress of Medicine in Singapore.
Sir David Galloway Memorial Fund	Instituted in 1959 in memory of the late Sir David Galloway, the Lectureship is open annually to all Academicians and practitioners of Medicine and its allied fields.
Runme Shaw Lecture Fund	This Fund is established in recognition of the contribution of Sir Runme Shaw to the Academy of Medicine, Singapore. The Lectureship will be presented at an event organized by the Academy of Medicine, Singapore.
Common Fund for Advancement of Medicine Fund	The Fund is established to support activities for the advancement of medicine, including the Master's or his representative's attendance at overseas meetings and/or visits to overseas colleges.
Seah Cheng Siang Memorial Research Fund	The Fund is established to commemorate and remember the name of Prof Seah Cheng Siang for his contributions to the medical profession in Singapore. It is used for the promotion of medical research.
Dental Advanced Specialists Training Fund	The Fund is established for the advancement of specialist training in the area of dentistry.

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Specific Funds & Chapter Funds (Continued)

Name of Fund	Purpose
Distance Learning Programme	The Fund is established for the development of distance learning programme for the members of the Academy of Medicine, Singapore. The programme will enable users to access learning modules on the latest medical know-how on the Academy's website.
Annals Fund	The Annals is the official medical and dental journal of the Academy, and is circulated to all members of the Academy. It is an indexed journal of the US National Library of Medicine (Index Medicus) and has recently been included in the Science Citation Index - Expanded, ISI Alerting Services, and Current Contents/Clinical Medicine.

2.10 Chapter Funds

The following Chapter Funds were set up to cater to the needs and requirements of a small group of sub-specialists.

- Chapter of Dental Surgeons
- Chapter of Pathologists
- Chapter of Public Health & Occupational Physicians ("Chapter of PH & OP")
- Chapter of Psychiatrists

The Chapter Funds were set up to support continuing educational activities. Funds received from donations, registration fees, trade exhibitions and other earmarked receipts for such activities are credited to their individual accounts accordingly. Expenditure incurred on such activities is debited to their respective accounts.

2.11 Related Company

The members of the Academy of Medicine, Singapore are also members of their respective Colleges.

**ACADEMY OF MEDICINE, SINGAPORE**

*A Company incorporated in the Republic of Singapore and Limited by Guarantee*  
(Company Registration No. 199702012E / Charity Registration No. 00043)

**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

**3. STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 – SPECIFIC FUNDS**

YEAR 2006	Annals Building & Endowment	Common Fund for Advancement of Medicine	Dental Advanced Specialists Training	Distance Learning Programme	Gordan Arthur Ransom Oration	Runme Shaw Lecture	Seah Cheng Research Fund	Sir David Galloway Memorial	Joint Committee on Specialist Training	Total
2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
25,000	87,300	-	-	-	-	-	-	-	-	112,300
-	-	-	-	-	-	-	-	81,290	-	81,290
12,588	101,702	8,770	-	-	-	2,339	27,256	8,896	-	161,551
-	-	1,341	-	-	-	357	12,737	-	-	14,435
9,200	-	-	-	-	-	-	-	-	-	9,200
-	-	-	-	-	-	-	-	65,942	-	65,942
-	-	-	100	-	-	-	-	523,874	-	523,974
9,828	-	-	-	-	-	-	-	-	-	9,828
13,401	-	-	-	-	-	-	-	-	-	13,401
70,017	189,002	10,111	100	-	-	2,696	39,993	680,002	-	991,921
122,088	-	7,651	-	11,340	-	-	-	56,721	-	197,800
-	71,449	-	-	-	-	-	-	434,422	-	505,871
122,088	71,449	7,651	-	11,340	-	-	-	491,143	-	703,671
(52,071)	117,553	2,460	100	(11,340)	-	2,696	39,993	188,859	-	288,250
671,970	6,274,086	326,982	11,083	18,450	4,417	93,152	1,296,150	702,580	3,736	9,402,606
<b>619,899</b>	<b>6,391,639</b>	<b>329,442</b>	<b>11,183</b>	<b>7,110</b>	<b>4,417</b>	<b>95,848</b>	<b>1,336,143</b>	<b>891,439</b>	<b>3,736</b>	<b>9,690,856</b>

**INCOMING RESOURCES**

Incoming Resources from Generated Funds

Voluntary Funds

- Donation in Cash  
- Operating Grants

Investment Income

- Interest Income  
- Current Year  
- Previous Year Adjustment

Charitable Income

- Advertisement  
- Exam fees  
- Registration Fees  
- Subscription  
- Miscellaneous Income

Total Incoming Resources

**RESOURCES EXPENDED**

Charitable Activities Expenses  
Other Operating Expenses  
Total Resources Expended

Net Movement in Funds

**RECONCILIATION OF FUNDS**

Total funds brought forward  
Total funds carried forward

**ACADEMY OF MEDICINE, SINGAPORE**

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**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

**3. STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2006 – SPECIFIC FUNDS**

YEAR 2006	Annals		Building & Endowment		Common Fund for Advancement of Medicine		Dental Advanced Specialists Training		Distance Learning Programme		Gordan Arthur Ransom Oration		Runme Shaw Lecture Research Fund		Seah Cheng Siang Memorial		Sir David Galloway Memorial		Joint Committee on Specialist Training		Total	
	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006	2006		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	
<b>Charitable Activities Expenses</b>																						
Awards/Grants/Honorarium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,400	
Accommodation	1,024	-	-	-	7,345	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,986	
Bank Charges	675	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50	
Courier & Postages	25,469	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	25,469	
Depreciation	2,298	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,298	
Exam Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	39,049	
IT Expenses	11,942	-	-	-	-	-	-	-	11,340	-	-	-	-	-	-	-	-	-	-	-	23,282	
Other Expenses	-	-	-	-	306	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	496	
Printing & Stationary	69,954	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,954	
Refreshment	1,554	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	6,600	
Staff costs	9,172	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,172	
	<b>122,088</b>	-	-	-	<b>7,651</b>	-	-	-	<b>11,340</b>	-	-	-	-	-	-	-	-	-	-	<b>56,721</b>	<b>197,800</b>	
<b>Other Operating Expenses</b>																						
Courier & Postages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,055	
Depreciation	-	40,458	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	22,294	
IT Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11,446	
Maintenance of Equipment	-	16,189	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	16,189	
Other Expenses	-	2,802	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,233	
Property Tax	-	12,000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	12,000	
Professional Charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,972	
Printing & Stationary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	9,911	
Staff Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	289,929	
Telecommunication Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,155	
Transport Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,229	
	-	<b>71,449</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>434,422</b>	<b>505,871</b>

**ACADEMY OF MEDICINE, SINGAPORE**

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**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

**3. STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2005 – SPECIFIC FUNDS**

YEAR 2005	Annals Building & Endowment	Common Fund for Advancement of Medicine	Dental Advanced Specialists Training	Distance Learning Programme	Gordian Arthur Ransom Oration	Runme Shaw Lecture	Seah Siang Research Fund	Sir David Galloway Memorial	Joint Committee on Specialist Training	Total
2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
20,000	150,800	-	-	-	-	-	-	-	-	170,800
-	-	-	-	-	-	-	-	-	344,548	344,548
8,040	49,260	3,108	-	-	34	1,202	5,728	12	86	67,470
7,800	-	-	-	-	-	-	-	-	-	7,800
-	-	-	-	-	-	-	-	-	53,447	53,447
-	-	-	100	-	-	-	-	-	419,544	419,644
5,588	-	-	-	-	-	-	-	-	-	5,588
50,952	-	-	-	-	-	-	-	-	1,438	52,390
92,380	200,060	3,108	100	-	34	1,202	5,728	12	819,063	1,121,687
97,317	-	13,301	-	7,350	-	8,934	-	-	40,888	167,790
-	76,016	-	-	-	-	-	-	-	296,636	372,652
97,317	76,016	13,301	-	7,350	-	8,934	-	-	337,524	540,442
(4,937)	124,044	(10,193)	100	(7,350)	34	(7,732)	5,728	12	481,539	581,245

**INCOMING RESOURCES**

Incoming Resources from Generated Funds

Voluntary Funds

- Donation in Cash

- Operating Grants

Investment Income

- Interest Income

Charitable Income

- Advertisement

- Exam fees

- Registration Fees

- Subscription

- Miscellaneous Income

Total Incoming Resources

**RESOURCES EXPENDED**

Charitable Activities Expenses

Other Operating Expenses

Total Resources Expended

Net Movement in Funds

**RECONCILIATION OF FUNDS**

Total funds brought forward

Total funds carried forward

**ACADEMY OF MEDICINE, SINGAPORE**

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**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006**

**3. STATEMENT OF FINANCIAL ACTIVITIES FOR THE FINANCIAL YEAR ENDED DECEMBER 31, 2005— SPECIFIC FUNDS**

YEAR 2005	Annals		Building & Endowment		Common Fund for Advancement of Medicine		Dental Advanced Specialists Training		Distance Learning Programme		Gordan Arthur Ransom Oration		Runme Shaw Lecture		Seah Siang Memorial Research Fund		Sir David Galloway Memorial		Joint Committee on Specialist Training		Total	
	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005	2005
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Charitable Activities Expenses</b>																						
Awards/Grants/Honorarium	-	-	-	13,301	-	-	-	-	-	-	-	-	-	5,000	-	-	-	-	-	2,800	21,101	
Accommodation	-	-	-	-	-	-	-	-	-	-	-	-	-	3,867	-	-	-	-	12,675	16,542		
Bank Charges	338	-	-	-	-	-	-	-	-	-	-	-	-	67	-	-	-	-	145	550		
Courier & Postages	3,413	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,413	
Depreciation	2,250	-	-	-	-	-	-	-	-	7,350	-	-	-	-	-	-	-	-	-	-	2,250	
Exam Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	24,795	32,145	
IT Expenses	8,483	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	8,483	
Other Expenses	1,888	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,888	
Professional Fees	5,125	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,125	
Printing & Stationary	75,111	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,111	
Refreshment	709	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	473	1,182		
	<b>97,317</b>	-	-	<b>13,301</b>	-	-	-	-	-	<b>7,350</b>	-	-	-	<b>8,934</b>	-	-	-	-	<b>40,888</b>	<b>167,790</b>		
<b>Other Operating Expenses</b>																						
Courier & Postages	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	1,042	1,042	
Depreciation	-	-	47,307	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	13,097	60,404		
Disposal of Fixed Asset	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,297	7,297		
IT Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	34,704	34,704		
Maintenance of Equipment	-	-	12,987	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,174	15,161		
Other Expenses	-	-	15,722	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	7,044	22,766		
Property Tax	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	75,600	75,600		
Printing & Stationary	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	10,258	10,258		
Staff Cost	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	137,173	137,173		
Telecommunication Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,760	4,760		
Transport Expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	3,487	3,487		
	-	-	<b>76,016</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	<b>296,636</b>	<b>372,652</b>		

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006

4. FIXED ASSETS

	Freehold Land	Building	Office Furniture, Fitting & Equipment	Computers	Total
	S\$	S\$	S\$	S\$	S\$
Cost :					
At 1 January 2006	3,000,000	1,303,017	376,056	80,767	4,759,840
Additions	-	-	2,613	10,517	13,130
Disposals	-	-	-	(1,846)	(1,846)
At 31 December 2006	<u>3,000,000</u>	<u>1,303,017</u>	<u>378,669</u>	<u>89,438</u>	<u>4,771,124</u>
Accumulated Depreciation:					
At 1 January 2006	-	125,228	193,634	44,233	363,095
Charge for the year	-	19,506	35,474	22,255	77,235
Disposals	-	-	-	(1,846)	(1,846)
At 31 December 2006	-	<u>144,734</u>	<u>229,108</u>	<u>64,642</u>	<u>438,484</u>
Depreciation Charge for 2005	-	<u>26,649</u>	<u>29,879</u>	<u>23,669</u>	<u>80,197</u>
Allowance for Impairment Loss					
As at 1 January 2006 and 31 December 2006	<u>1,070,000</u>	<u>300,000</u>	-	-	<u>1,370,000</u>
Net book value:					
At 31 December 2006	<u>1,930,000</u>	<u>858,283</u>	<u>149,561</u>	<u>24,796</u>	<u>2,962,640</u>
At 31 December 2005	<u>1,930,000</u>	<u>877,789</u>	<u>182,422</u>	<u>36,534</u>	<u>3,026,745</u>

The freehold land and building were independently valued at S\$1,930,000 and S\$920,000 respectively by a firm of professional valuers in the financial year ended December 31, 2006. No adjustment was made to the allowance for Impairment loss made previously.

5. MEMBERS' SUBSCRIPTIONS

	2006 S\$	2005 S\$
Members' Subscriptions	277,775	327,750
Less : Allowances for Doubtful Debts	<u>(122,200)</u>	<u>(247,500)</u>
	<u>155,575</u>	<u>80,250</u>
Movements in the above allowance:-		
Balance at the beginning of the year	247,500	199,600
Allowances made during the year	9,500	47,900
Allowance written back during the year	<u>(134,800)</u>	-
At 31 December 2006	<u>122,200</u>	<u>247,500</u>



**ACADEMY OF MEDICINE, SINGAPORE***A Company incorporated in the Republic of Singapore and Limited by Guarantee***(Company Registration No. 199702012E / Charity Registration No. 00043)****NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006****6. INVENTORIES**

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Finished Goods	31,705	33,270
Less : Allowances for Obsolescence	<u>(18,920)</u>	<u>(20,143)</u>
	<u>12,785</u>	<u>13,127</u>
Comprising items which are stated :		
At Cost	2,228	2,228
At Net Realisable Value	<u>10,557</u>	<u>10,899</u>
	<u>12,785</u>	<u>13,127</u>
Movements in above allowances : -		
Balance at the beginnings of the year	20,143	22,315
Allowances written back	<u>(1,223)</u>	<u>(2,172)</u>
Balance at the end of the year	<u>18,920</u>	<u>20,143</u>

**7. OTHER DEBTORS & PREPAYMENTS**

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Other Debtors	29,810	20,638
Prepayments	-	-
Deposits	<u>1,593</u>	<u>1,593</u>
	<u>31,403</u>	<u>22,231</u>

**8. OTHER CREDITORS & ACCRUALS**

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Other Creditors	314,204	159,796
GST Payables	422,501	-
Accruals	<u>60,498</u>	<u>76,221</u>
	<u>797,203</u>	<u>236,017</u>

**9. AMOUNT DUE FROM / TO RELATED COMPANIES (NON TRADE)**

The amount is unsecured, interest free and has no fixed terms of repayment.

**10. STAFF COSTS**

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Current Year	893,340	836,757
Directors Remuneration	<u>10,350</u>	<u>-</u>
	<u>903,690</u>	<u>836,757</u>

**NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006****11. TAXATION**

The Academy is assessed as a charitable institution under Section 13M of the Singapore Income Tax Act. The Academy is exempt from income tax if it applies, in any tax year of assessment, not less than 80% of its income on charitable objects within Singapore by the end of the following financial year.

In the opinion of the Management, no provision for income tax is necessary at the end of the current financial year as the Academy is able to fulfill the conditions required to qualify for income tax exemption.

It was proposed in the Singapore Budget 2007 to grant income tax exemption to all registered charities without requiring them to spend at least 80% of their annual receipts within 2 years

**12. CASH AND CASH EQUIVALENTS**

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Cash at Bank	3,125,884	2,501,430
Cash in Hand	3,633	3,897
	<u>3,129,517</u>	<u>2,505,327</u>
Fixed Deposits with Financial Institutions	5,562,845	5,848,766
	<u><b>8,692,362</b></u>	<u><b>8,354,093</b></u>

**13. INCOME FROM EVENTS**

During the financial year, there were several events organized by the Academy. The revenue and expenses from the activities organized by the Academy is detailed below.

	<b>2006</b>	<b>2005</b>
	<b>S\$</b>	<b>S\$</b>
Gross Revenue from Events	147,192	417,574
Less: Expenses from Events	(90,593)	(231,325)
	<u><b>56,599</b></u>	<u><b>186,249</b></u>

**14. FINANCIAL RISK MANAGEMENT**

The Academy's activities expose it to mainly credit risk, interest rate risk and liquidity risk. The Academy's result and operating cash flows are substantially independent of changes in market interest rates.

Risk management is carried out under policies approved by the Council Members. The Council Members provide guidelines for overall risk management, as well as policies covering specific areas.

**i) Credit risk**

Credit risk arises from exposure to amounts due from members and other debtors. The Academy has no significant concentration of credit risk arising from any single debtor. Credit risk arising from the inability of debtors to settle debts is generally limited to the amounts so reflected in the Academy's receivables.

NOTES TO FINANCIAL STATEMENTS FOR FINANCIAL YEAR ENDED DECEMBER 31, 2006

**14. FINANCIAL RISK MANAGEMENT (CONTINUED)**

ii) Interest rate risk

The Academy's significant interest – bearing assets are fixed deposits with financial institutions. Interest rates are monitored so as to secure favourable rates.

iii) Liquidity risk

Prudent liquidity risk management implies maintaining sufficient cash and the availability of funding through donations, grant and other receipts. The Academy monitors its cash resources closely and maintains sufficient cash for its operation.

**15. FAIR VALUE**

The carrying amounts of the Academy's financial assets and liabilities approximate their fair values

**16. COMPARATIVE FIGURES**

The financial statement for the financial year ended December 31, 2005 were not audited by Geetha A & Associates but by another firm of auditors whose report expressed an unqualified opinion on the financial statement.

The income and expenditure for the year ended 31 December 2005 has been reclassified and presented on an aggregate basis (for all the funds) through the income and expenditure statement / statement of financial activities to conform with the presentation for the current financial year. Consequent changes were made to the presentation of income and expenditure statement / statement of financial activities.