



香港醫學會
THE HONG KONG
MEDICAL ASSOCIATION

Looking Ahead 展望將來



Financial Report 財務報告
2017/2018

使命

OUR PURPOSE

香港醫學會成立於一九二零年，匯聚了在香港執業、服務市民的會員醫生，我會的宗旨為促進醫學界的福祉及提升市民的健康水平。香港醫學會現有超過10,000多名來自醫學界各方的成員，是醫學界同業的喉舌，同時為會員傳遞來自世界各地的訊息，包括醫學上的專業操守以及各項醫學課題的最新資訊。

香港醫學會會徽誌有箴言：「**維護民康**」，以此表彰照顧病人是醫生的天職，醫學會並以倡導此信念為傲。

The Hong Kong Medical Association, founded in 1920, brings together all medical practitioners practising in, and serving the people of, Hong Kong. Its objective is to promote the welfare of the medical profession and the health of the public. With the current membership of over 10,000 from all sectors of medical practice, it speaks collectively for its members and aims to keep its members abreast of medical ethics and issues around the world.

The Association takes pride in displaying in its emblem its motto in Chinese which translates into **"to safeguard the health of the people"** to pronounce sacred duty of a medical practitioner to look after his/her patients.

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REPORT OF MEMBERS OF COUNCIL

The Council has pleasure in submitting to the members the annual report and financial statements for the year ended 28th February, 2018.

PRINCIPAL ACTIVITIES

The principal activities of the Association are the promotion of the welfare and the protection of the lawful interests of the medical profession.

FINANCIAL STATEMENTS

The financial performance and the movements of the designated funds of the Association for the year ended 28th February, 2018 and the financial position of the Association at that date are set out in the financial statements on pages 6 to 24.

MEMBERS OF THE COUNCIL

The following members served on the Council during the financial year and up to the date of this report:

Dr. Au Yiu Kai		Dr. Lee Fook Kay, Aaron	
Dr. Chan Hau Ngai, Kingsley		Dr. Leung Chi Chiu	
Dr. Chan Kit Sheung		Dr. Leung Ka Lau	(Retired on 18 th July, 2017)
Dr. Chan Nim Tak, Douglas		Dr. Lo Chi Fung, Ernie	
Dr. Chan, Pierre		Dr. Pong Chiu Fai, Jeffrey	
Dr. Chan Yee Shing, Alvin		Dr. Shea Tat Ming, Paul	(Elected on 18 th July, 2017)
Dr. Cheng Chi Man		Dr. Sin Pui Yee, Helena	
Dr. Cheung Hon Ming		Dr. So Yui Chi	
Dr. Choi Kin		Dr. Tong Kai Sing	
Dr. Fu Kam Fung, Kenneth	(Retired on 18 th July, 2017)	Dr. Wong Bun Lap, Bernard	
Dr. Fung Tak Kwan, James		Dr. Wong Yam Hong, Alfred	(Retired on 18 th July, 2017)
Dr. Ho Chung Ping		Dr. Wong Yee Him	(Elected on 18 th July, 2017)
Dr. Ho Hung Kwong, Duncan		Dr. Yam Chun Yin, Abraham	(Elected on 18 th July, 2017)
Dr. Ip Wing Yuk, Josephine		Dr. Yeung Chiu Fat, Henry	
Dr. Lam Tzit Yuen, David		Dr. Yeung Hip Wo, Victor	

ATTENDANCE AT COUNCIL MEETINGS

Since the last annual general meeting held on 18th July, 2017, 11 regular meetings of the Council had been held and the attendance of council members at these meetings was as follows:

	Number of attendance at Council meetings		Number of attendance at Council meetings
Dr. Au Yiu Kai	8	Dr. Lee Fook Kay, Aaron	4
Dr. Chan Hau Ngai, Kingsley	10	Dr. Leung Chi Chiu	10
Dr. Chan Kit Sheung	10	Dr. Lo Chi Fung, Ernie	4
Dr. Chan Nim Tak, Douglas	11	Dr. Pong Chiu Fai, Jeffrey	7
Dr. Chan, Pierre	9	Dr. Shea Tat Ming, Paul	8
Dr. Chan Yee Shing, Alvin	11	Dr. Sin Pui Yee, Helena	6
Dr. Cheng Chi Man	10	Dr. So Yui Chi	7
Dr. Cheung Hon Ming	9	Dr. Tong Kai Sing	10
Dr. Choi Kin	11	Dr. Wong Bun Lap, Bernard	6
Dr. Fung Tak Kwan, James	7	Dr. Wong Yee Him	6
Dr. Ho Chung Ping	11	Dr. Yam Chun Yin, Abraham	10
Dr. Ho Hung Kwong, Duncan	8	Dr. Yeung Chiu Fat, Henry	10
Dr. Ip Wing Yuk, Josephine	6	Dr. Yeung Hip Wo, Victor	11
Dr. Lam Tzit Yuen, David	9		

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the Association's business were entered into or existed during the year.

PERMITTED INDEMNITY PROVISIONS

At no time during the year and up to the date of this council members' report, there was or is, any permitted indemnity provision being in force for the benefit of any of the council members of the Association (whether made by the Association or otherwise).

MEMBERSHIP

During the year, a total of 1 life member, 86 regular members, 6 newly qualified members, 167 student members and 160 associate members joined the Association. As at 28th February 2018, the total number of members was 11,519, of which 8,669 are regular members, 544 newly qualified members, 377 life members, 2 honorary members, 1,037 student members, 238 absent members, 645 associate members and 7 fraternity members.

HONORARY AUDITORS

The financial statements have been audited by Li, Tang, Chen & Co., who retire but, being eligible, offer themselves for re-appointment.

On behalf of the Council

Dr. CHOI Kin

President

Hong Kong, 5th June, 2018

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF THE HONG KONG MEDICAL ASSOCIATION (incorporated in Hong Kong and limited by guarantee)

OPINION

We have audited the financial statements of The Hong Kong Medical Association ("the Association") set out on pages 6 to 24, which comprise the statement of financial position as at 28th February, 2018, and the statement of comprehensive income and the statement of changes in funds and the statement of cash flows for the year then ended, and notes on the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Association as at 28th February, 2018, and of its financial performance and its cash flows for the year then ended in accordance with Hong Kong Financial Reporting Standards ("HKFRSs") issued by the Hong Kong Institute of Certified Public Accountants ("HKICPA") and have been properly prepared in compliance with the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSA") issued by the HKICPA. 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 Association in accordance with the HKICPA's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The council members are responsible for the other information. The other information comprises all the information included in the council members' report, but does not include the financial statements and our auditor's report thereon.

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 COUNCIL MEMBERS FOR THE FINANCIAL STATEMENTS

The council members are responsible for the preparation of financial statements that give a true and fair view in accordance with HKFRSs issued by the HKICPA and the Hong Kong Companies Ordinance and for such internal control as the council members determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the council members are responsible for assessing the Association'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 council members either intend to liquidate the Association or to cease operations, or have no realistic alternative but to do so.

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. We report our opinion solely to you, as a body, in accordance with section 405 of the Hong Kong Companies Ordinance, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's 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 HKSA's, we exercise professional judgment and maintain professional skepticism 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the council members.
- Conclude on the appropriateness of the 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 Association'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 Association 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 those charged with governance 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.

Li, Tang, Chen & Co.
Certified Public Accountants (Practising)
Honorary Auditors
Hong Kong, 5th June, 2018

STATEMENT OF FINANCIAL POSITION

AS AT 28TH FEBRUARY, 2018

	Note		2018	2017
		HK\$	HK\$	HK\$
NON-CURRENT ASSETS				
Property, plant and equipment	5		13,145,981	11,515,079
Investment property	6		82,163	82,263
Prepaid lease payments on land use rights	7		105,720	109,365
Available-for-sale financial assets	8		23,815,656	19,237,878
			37,149,520	30,944,585
CURRENT ASSETS				
Inventories	2(f)	101,527		115,357
Prepaid lease payments on land use rights	7	3,645		3,645
Utility and other deposits		126,241		125,381
Amount due from a related company	9	-		405
Sundry receivables and prepayments		2,747,713		1,638,732
Cash and bank balances	10	75,545,829		71,756,367
		78,524,955		73,639,887
CURRENT LIABILITIES				
Amount due to a related company	9	1,490		-
Receipts in advance, sundry payables and accruals		67,302,626		61,755,352
		67,304,116		61,755,352
NET CURRENT ASSETS				
			11,220,839	11,884,535
NET ASSETS				
			48,370,359	42,829,120
FUNDS				
General Fund	23		14,555,860	14,555,860
Special Fund	23		16,272,009	14,490,396
Permanent Premises Fund	23		4,224,653	4,224,653
Public Medical Education Foundation Fund	23		247,801	247,780
HKMA China Relief Fund	23		63,197	63,189
New Premises Fund	23		6,281,573	6,281,573
Investment Revaluation Reserve	23		6,725,266	2,965,669
			48,370,359	42,829,120

The financial statements on pages 6 to 24 were approved and authorised for issue by the Council on 5th June, 2018

Dr. CHOI Kin
President

Dr. LEUNG Chi Chiu
Honorary Treasurer

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 28TH FEBRUARY, 2018

	Note	2018 HK\$	2017 HK\$
MEMBERSHIP AND SUBSCRIPTION FEES	11	60,300	39,000
OTHER INCOME AND NET GAINS	11	16,406,356	13,614,629
ADMINISTRATIVE AND OTHER OPERATING EXPENSES	12	(14,685,043)	(15,734,611)
SURPLUS/(DEFICIT) BEFORE TAXATION		1,781,613	(2,080,982)
TAXATION	22	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		1,781,613	(2,080,982)
TRANSFER FROM SPECIAL FUND FOR SUBSCRIPTIONS RECEIVABLE WAIVED FOR 2017/18		3,685,400	3,564,800
NET SURPLUS FOR THE YEAR TRANSFERRED TO GENERAL FUND	23	5,467,013	1,483,818
OTHER COMPREHENSIVE INCOME			
Items that may be reclassified subsequently to surplus or deficit:			
- Changes in fair value of available-for-sale financial assets		3,759,597	4,388,126
Items that will not be reclassified to surplus or deficit:			
- Interest income from HKMA China Relief Fund		8	9
- Interest income from Public Medical Education Foundation Fund		21	22
- Royalty income from publication under Public Medical Education Foundation Fund		-	297
OTHER COMPREHENSIVE INCOME FOR THE YEAR		3,759,626	4,388,454
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		9,226,639	5,872,272

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 28TH FEBRUARY, 2018

	General Fund	Special Fund	Permanent Premises Fund	Public Medical Education Foundation Fund	HKMA China Relief Fund	New Premises Fund	Investment Revaluation Reserve	Total
	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$	HK\$
At 29 th February, 2016	14,555,860	16,571,378	4,224,653	247,461	63,180	6,281,573	(1,422,457)	40,521,648
Surplus for the year	1,483,818	-	-	-	-	-	-	1,483,818
Other comprehensive income for the year								
- Interest income	-	-	-	22	9	-	-	31
- Royalty income	-	-	-	297	-	-	-	297
- Charges in fair value of available-for-sale financial assets	-	-	-	-	-	-	4,388,126	4,388,126
	-	-	-	319	9	-	4,388,126	4,388,454
Total comprehensive income for the year	1,483,818	-	-	319	9	-	4,388,126	5,872,272
Transfer to special fund (note 23)	(1,483,818)	1,483,818	-	-	-	-	-	-
Transfer to statement of comprehensive income for subscriptions receivable waived for 2016/17	-	(3,564,800)	-	-	-	-	-	(3,564,800)
At 28 th February, 2017	14,555,860	14,490,396	4,224,653	247,780	63,189	6,281,573	2,965,669	42,829,120
Surplus for the year	5,467,013	-	-	-	-	-	-	5,467,013
Other comprehensive income for the year								
- Interest income	-	-	-	21	8	-	-	29
- Charges in fair value of available-for-sale financial assets	-	-	-	-	-	-	3,759,597	3,759,597
	-	-	-	21	8	-	3,759,597	3,759,626
Total comprehensive income for the year	5,467,013	-	-	21	8	-	3,759,597	9,226,639
Transfer to special fund (note 23)	(5,467,013)	5,467,013	-	-	-	-	-	-
Transfer to statement of comprehensive income for subscriptions receivable waived for 2017/18	-	(3,685,400)	-	-	-	-	-	(3,685,400)
At 28 th February, 2018	14,555,860	16,272,009	4,224,653	247,801	63,197	6,281,573	6,725,266	48,370,359

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 28TH FEBRUARY, 2018

	Note	2018 HK\$	2017 HK\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Surplus/(deficit) before taxation			
– General Fund		1,781,613	(2,080,982)
Surplus for the year			
– Public Medical Education Foundation Fund		21	319
– HKMA China Relief Fund		8	9
Adjustments for:			
Interest income		(1,049,233)	(843,798)
Depreciation and amortisation expenses		863,146	625,238
Dividend income		(1,122,556)	(941,263)
Operating surplus/(deficit) before working capital and fund changes		472,999	(3,240,477)
Decrease in inventories		13,830	6,242
Increase in sundry receivables and prepayments		(1,108,981)	(718,779)
Increase in utility and other deposits		(860)	(3,920)
Decrease/(increase) in amount due from a related company		405	(405)
Increase in receipts in advance, sundry payables and accruals		5,547,275	27,017,638
Increase in amount due to a related company		1,490	–
NET CASH GENERATED FROM OPERATING ACTIVITIES		4,926,158	23,060,299
CASH FLOWS FROM INVESTING ACTIVITIES			
Dividend received		304,374	180,410
Payments to acquire property, plant and equipment		(2,490,303)	(2,427,007)
Interest received		1,049,233	843,798
Increase in time deposits with maturity more than 3 months at acquisition		(16,142,785)	(13,323,287)
NET CASH USED IN INVESTING ACTIVITIES		(17,279,481)	(14,726,086)
NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS		(12,353,323)	8,334,213
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		57,821,548	49,487,335
CASH AND CASH EQUIVALENTS AT END OF YEAR		45,468,225	57,821,548
ANALYSIS OF THE BALANCES OF CASH AND CASH EQUIVALENTS			
Time deposits at banks		709,273	13,922,916
Cash and bank balances		44,758,952	43,898,632
	10	45,468,225	57,821,548

NOTES ON THE FINANCIAL STATEMENTS

1. STATUS OF THE ASSOCIATION

The Hong Kong Medical Association ("the Association") was incorporated in Hong Kong on 15th June, 1960 as a company limited by guarantee incorporated in Hong Kong. Every member of the Association undertakes to contribute, if required, an amount not exceeding HK\$20, to the assets of the Association in the event of its being wound up. The address of the Association's registered office is 5/F., Duke of Windsor Social Service Building, 15 Hennessy Road, Hong Kong.

The Association is engaged in the promotion of the welfare and the protection of the lawful interests of the medical profession.

The financial statements are presented in Hong Kong dollars which is the same as the functional currency of the Association.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

a) Basis of preparation:

These financial statements have been prepared in accordance with all applicable Hong Kong Financial Reporting Standards (which includes all applicable Hong Kong Accounting Standards) issued by the Hong Kong Institute of Certified Public Accountants and accounting principles generally accepted in Hong Kong and the Hong Kong Companies Ordinance. They have been prepared under historical cost convention, except for available-for-sale financial assets, which have been measured at fair value.

b) Foreign currency translation:

- i) Functional and presentation currency
Items included in the financial statements are measured using the currency of the primary economic environment in which the Association operates ("the functional currency"). The financial statements are presented in Hong Kong dollars, which is the Association's functional and presentation currency.
- ii) Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at period-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the statement of comprehensive income.

c) Property, plant and equipment:

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to the statement of comprehensive income in the period in which it is incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of the property, plant and equipment, the expenditure is capitalized as an additional cost of that asset.

Depreciation on property, plant and equipment is calculated on the straight-line basis to write off the cost over their estimated useful lives and after taking into account their estimated residue values, where appropriate, as follows:

Leasehold land and building/building	over the remaining unexpired terms of the leases
Furniture and fixtures	10% per annum
Computer equipment	10% per annum

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

d) **Investment property:**

Investment property, which is property held to earn rentals and/or for capital appreciation, is stated at cost less accumulated depreciation and any accumulated impairment loss. Depreciation is provided to write off the cost of investment property using the straight-line method over the remaining terms of the lease.

e) **Impairment of assets:**

At the end of each reporting period, an assessment is made of whether there is any indication of impairment of any asset, or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

A previously recognised impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount for the asset, however not to an amount higher than the carrying amount that would have been determined (net of any depreciation), had no impairment loss been recognised in prior years.

f) **Inventories:**

Inventories comprise publications, souvenir and beverage held for sale and are stated at the lower of cost and net realisable value. Costs, which comprises all cost of purchase and, where applicable, costs of conversion and other costs that have incurred in bringing the inventories to their present location and condition, is calculated on the first in first out basis. Net realisable value is determined on the basis of anticipated sales proceeds less estimated selling expenses.

g) **Receivables:**

Receivables are initially measured at fair value and, after initial recognition, at amortised cost less impairment losses for bad and doubtful debts, if any, except for the short-term receivables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount less impairment losses for bad and doubtful debt, if any.

At the end of each reporting period, the Association assesses whether there is any objective evidence that a receivable or group of receivables is impaired. Impairment losses on trade and other receivables are recognised in the statement of comprehensive income when there is objective evidence that an impairment loss has been incurred and are measured as the difference between the receivables carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at its original effective interest rate, i.e. the effective interest rate computed at initial recognition.

h) **Payables:**

Payables are initially measured at fair value and, after initial recognition, at amortised cost, except for short-term payables with no stated interest rate and the effect of discounting being immaterial, that are measured at their original invoice amount.

i) **Cash and cash equivalents:**

For the purpose of the statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments which are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Association's cash management.

j) **Interest on time deposits:**

Interest on time deposits of designated funds is credited directly to the respective funds.

k) **Designated donations/contributions and related expenditures:**

Designated donations/contributions received are credited directly to the respective funds. Expenditures are charged to these funds where appropriate.

l) **Deferred income tax:**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized.

NOTES ON THE FINANCIAL STATEMENTS

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

m) Available-for-sale financial assets:

Investments are classified as available-for-sale are measured at subsequent reporting dates at fair value except those investments which do not have a quoted market price in an active market and whose fair value cannot be reliably measured, gains and losses arising from changes in fair value are recognised directly in Investment Revaluation Reserve. Investments that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are stated at cost less any accumulated impairment losses.

n) Operating leases:

Leases in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged or credited to the statement of comprehensive income on a straight-line basis over the period of the lease.

o) Revenue recognition:

- i) Entrance fees are recognised in the financial year of receipt.
- ii) Membership and subscription fees are recognised on an accrual basis.
- iii) Admission fees income are recognised when the related functions are performed.
- iv) Donation income is recognised on a cash received basis.
- v) Advertisement income is recognised when the related advertisements have been published.
- vi) Sales of wine, beverages, food and souvenirs are recognised when the delivery is made and cash is received.
- vii) Retention fees on sales of food are recognised when related sales are recognised.
- viii) Rental income is recognised in the year on a straight-line basis over the lease terms.
- ix) Dividend received from listed investments is recognised when the right to receive payment is established.
- x) Commission and administration fee income are recognised in the year in which the services are rendered.
- xi) Interest income is recognised as it accrues using the effective interest method.

p) Related parties:

- a) A person, or a close member of that person's family, is related to the Association if that person:
 - i) has control or joint control over the Association;
 - ii) has significant influence over the Association; or
 - iii) is a member of the key management personnel of the Association or the Association's parents.
- b) An entity is related to the Association if any of the following conditions applies:
 - i) the entity and the Association are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - iii) both entities are joint ventures of the same third party.
 - iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - v) the entity is a post-employment benefit plan for the benefit of employees of either the Association or an entity related to the Association.
 - vi) the entity is controlled or jointly controlled by a person identified in (a).
 - vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the group or to the group's parent.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity.

q) Employee benefits:

Salaries, annual leave and other costs of non-monetary benefits are accrued and recognised as an expense in the year in which the associated services are rendered by employees of the Association.

The Association's contributions to the mandatory provident fund scheme and the defined contribution retirement scheme are expensed as incurred. Contributions to the defined contribution retirement scheme are reduced by contributions forfeited by those employees who leave the scheme prior to vesting fully in the contributions. The assets of both schemes are held separately from those of the Association in independently administered funds.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

r) Provisions:

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the statement of comprehensive income.

3. ADOPTION OF NEW AND REVISED HONG KONG FINANCIAL REPORTING STANDARDS ("HKFRSs")

The Hong Kong Institute of Certified Public Accountants ("HKICPA") has issued a number of new HKFRSs and amendments to HKFRSs that are first effective for the current accounting period of the Association. The council members of the Association consider that those new HKFRSs and amendments to HKFRSs have no material impact on the financial statements for the current and prior years.

4. CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The Association makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful lives of property, plant and equipment

The Association's management determines the estimated useful lives and related depreciation charges for its property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. It could change significantly as a result of technical innovations and competitor actions in response to severe industry cycles. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

NOTES ON THE FINANCIAL STATEMENTS

5. PROPERTY, PLANT AND EQUIPMENT

	Leasehold land and building (Note 1)	Building (Note 2)	Furniture and fixtures	Computer equipment	Total
	HK\$	HK\$	HK\$	HK\$	HK\$
Cost:					
At 1.3.2016	8,554,079	563,790	8,382,005	908,719	18,408,593
Additions	-	-	2,388,017	38,990	2,427,007
At 28.2.2017 and 1.3.2017	8,554,079	563,790	10,770,022	947,709	20,835,600
Additions	-	-	2,468,599	21,704	2,490,303
At 28.2.2018	8,554,079	563,790	13,238,621	969,413	23,325,903
Accumulated depreciation:					
At 1.3.2016	612,322	221,615	7,181,515	683,576	8,699,028
Charge for the year	9,007	10,921	553,919	47,646	621,493
At 28.2.2017 and 1.3.2017	621,329	232,536	7,735,434	731,222	9,320,521
Charge for the year	9,007	10,921	795,004	44,469	859,401
At 28.2.2018	630,336	243,457	8,530,438	775,691	10,179,922
Net book value:					
At 28.2.2018	7,923,743	320,333	4,708,183	193,722	13,145,981
At 28.2.2017	7,932,750	331,254	3,034,588	216,487	11,515,079

Notes:

- 1) The leasehold land and building is held in Hong Kong on long lease and is located at 2nd Floor, The Chinese Club Building, Nos. 21 & 22 Connaught Road Central, Hong Kong.
- 2) The building is situated in Hong Kong at 5th Floor, Duke of Windsor Building, 15 Hennessy Road, Hong Kong.

6. INVESTMENT PROPERTY

	Investment property (Note 1)
	HK\$
Cost:	
At 1.3.2016, 28.2.2017 and at 28.2.2018	83,463
Accumulated depreciation:	
Balance at 1.3.2016	1,100
Charge for the year	100
Balance at 28.2.2017	1,200
Charge for the year	100
Balance at 28.2.2018	1,300
Net book value:	
At 28.2.2018	82,163
At 28.2.2017	82,263

Note:

- 1) The investment property is held in Hong Kong on long lease and is located at Flat 1, 6th Floor, Wyndham Mansion, 32 Wyndham Street, Hong Kong.

The investment property is leased to third parties on operating leases. The fair value of the property at 28th February, 2018 assessed by the council members is HK\$15,540,270 (2017: HK\$11,898,108) which is based on open market value of similar properties.

6. INVESTMENT PROPERTY (CONT'D)

Fair value measurement of property

i) Fair value hierarchy

The following table presents the fair value of the Association's investment property measured at the end of the reporting period on a recurring basis, categorised into the three-level fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuations: Fair value measured using only Level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at the measurement date
- Level 2 valuations: Fair value measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1, and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available
- Level 3 valuations: Fair value measured using significant unobservable inputs

Fair value measurements as at 28 th February, 2018 categorised into					
	Carrying value at 28 th February, 2018 HK\$	Fair value at 28 th February, 2018 HK\$	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
Recurring fair value measurement					
Investment property in Hong Kong	82,163	15,540,270	-	15,540,270	-

Fair value measurements as at 28 th February, 2017 categorised into					
	Carrying value at 28 th February, 2017 HK\$	Fair value at 28 th February, 2017 HK\$	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$
Recurring fair value measurement					
Investment property in Hong Kong	82,263	11,898,108	-	11,898,108	-

ii) Valuation techniques and inputs used in Level 2 fair value measurements

The fair value of investment property located in Hong Kong is determined using market comparison approach by reference to recent sales price of comparable properties on a price per square foot basis using market data which is publicly available.

NOTES ON THE FINANCIAL STATEMENTS

7. PREPAID LEASE PAYMENTS ON LAND USE RIGHTS

The Association's prepaid lease payments on land use rights comprise:

	2018	2017
	HK\$	HK\$
Situated in Hong Kong Medium-term lease	109,365	113,010
Analysed for reporting purposes as:		
Non-current assets	105,720	109,365
Current assets	3,645	3,645
	109,365	113,010

8. AVAILABLE-FOR-SALE FINANCIAL ASSETS

	2018	2017
	HK\$	HK\$
Equity securities, at market value listed in Hong Kong	23,815,656	19,237,878

9. AMOUNT DUE FROM/TO A RELATED COMPANY

This amount is unsecured advances which are interest free and have no fixed terms of repayment.

10. CASH AND BANK BALANCES

	2018	2017
	HK\$	HK\$
Time deposits at bank	30,786,877	27,857,735
Cash and bank balances	44,758,952	43,898,632
Cash and bank balances in the statement of financial position	75,545,829	71,756,367
Less: Time deposits with original maturity more than three months	(30,077,604)	(13,934,819)
Cash and cash equivalents in the statement of cash flows	45,468,225	57,821,548

Cash and bank balances include the following amounts denominated in a currency other than the Association's functional currency, Hong Kong dollars:

	2018	2017
United States dollars	US\$ 214,837	US\$ 209,268
Australian dollars	AUD 116,577	AUD 114,792
Renminbi	CNY 19,747,498	CNY 19,193,047

Cash at banks earn interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of no more than three months depending on the immediate cash requirements of the Association, and earn interest at the respective short term time deposit rates.

11. MEMBERSHIP AND SUBSCRIPTION FEES AND OTHER INCOME AND NET GAINS

The Association is engaged in the promotion of the welfare and the protection of the lawful interests of the medical profession. Revenues recognised during the year were as follows:

	2018	2017
	HK\$	HK\$
Membership and subscription fees:		
Entrance fees	6,300	11,200
Annual subscriptions	38,000	27,800
Life membership subscriptions	16,000	-
	60,300	39,000
Other income and net gains		
Operating lease rental income from investment property	102,000	121,200
Dividends received from listed available-for-sale financial assets	1,122,556	941,263
Administration fee income	8,000,000	8,000,000
Commission received	332,517	275,770
Bank interest income	1,049,233	843,798
Surplus from club house - note 14	1,848,585	1,745,343
Net income from mailing service secretarial charges - note 15	346,111	413,665
Surplus on CME Programme for non-specialists - note 16	91,027	155,158
Sundry income	1,212	1,304
Surplus on HKMA Newsletter - note 20	1,301,254	1,075,354
Surplus on Professional Services Development Assistance Scheme	-	41,774
Exchange gain	2,211,861	-
	16,406,356	13,614,629

NOTES ON THE FINANCIAL STATEMENTS

12. ADMINISTRATIVE AND OTHER OPERATING EXPENSES

	2018	2017
	HK\$	HK\$
Advertising, newspaper and periodicals	25,541	258,279
Annual charity concert expenses	74,327	75,746
Amortisation of land use rights	3,645	3,645
Auditors' remuneration	-	-
Awards to medical students	10,000	5,000
Cash coupons to life members	49,200	60,200
Cleaning expenses	22,037	18,377
Club house expenses	366,121	346,169
Computer expenses	89,574	90,301
Community services	4,162	2,595
Conference expenses	64,975	30,181
Contribution to staff retirement fund	708,703	798,971
Deficits from annual social functions - note 13	270,745	172,603
Deficits on Professional Service Development Assistance Scheme	42,987	-
Deficits on CME Bulletin - note 17	311,958	562,022
Deficit from other functions - note 18	1,000,849	829,639
Deficit on sale of Hong Kong Medical Journal expenses	199,980	189,283
Depreciation on property, plant and equipment	859,401	621,493
Depreciation on investment property	100	100
Donations	10,000	15,200
Deficits on organ donation promotion walk	30,000	-
Exchange loss	-	1,065,830
Gifts	25,000	17,000
Insurance	64,797	63,348
Licence fees	40,320	36,180
Meeting expenses	193,086	240,771
Postage and stamp duties	179,580	181,834
Printing and stationery	288,748	295,821
Professional fees	4,002	60,474
Property expenses - note 19	84,818	99,279
Repairs and renewals	112,347	351,852
Salaries and allowances	8,991,748	8,692,669
Social expenses	151,715	126,695
Staff lunch	112,320	50,955
Subscriptions to other medical associations	27,107	27,652
Sundry expenses	104,946	161,285
Telephone and telegrams	30,856	36,666
Travelling expenses	62,561	67,496
Water and electricity	57,087	69,255
Visit to Chinese Medical Association	9,700	9,745
	14,685,043	15,734,611

13. DEFICIT FROM ANNUAL SOCIAL FUNCTIONS

	2018	2017
	HK\$	HK\$
Income		
Donations/sponsorship	1,000	3,000
Sales of dinner tickets	203,625	401,520
Income from circular/booklet	62,000	199,000
	266,625	603,520
Less: Expenditure	(537,370)	(776,123)
Deficit for the year	(270,745)	(172,603)

14. SURPLUS FROM CLUB HOUSE

	2018	2017
	HK\$	HK\$
Sales of beverages	75,816	73,915
Less: Cost of sales	(8,253)	(11,286)
	67,563	62,629
Retention fees	1,696,110	1,574,351
Room rental	185,408	204,540
	1,949,081	1,841,520
Less: Visa card handling charges and coupon used	(100,496)	(96,177)
Surplus for the year	1,848,585	1,745,343

15. NET INCOME FROM MAILING SERVICE SECRETARIAL CHARGES

	2018	2017
	HK\$	HK\$
Handling charges	449,978	509,985
Less: Handling fee	(103,867)	(96,320)
Net income	346,111	413,665

16. SURPLUS ON CME PROGRAMME FOR NON-SPECIALISTS

	2018	2017
	HK\$	HK\$
Fees and sponsorship received	307,557	686,945
Less: Expenditure	(216,530)	(531,787)
Surplus for the year	91,027	155,158

17. DEFICIT ON CME BULLETIN

	2018	2017
	HK\$	HK\$
Advertisement fee received	899,116	729,977
Less: Expenditure	(1,211,074)	(1,291,999)
Deficit for the year	(311,958)	(562,022)

18. DEFICIT FROM OTHER FUNCTIONS

	2018	2017
	HK\$	HK\$
Fees and donations received	576,749	289,555
Less: Expenditure	(1,577,598)	(1,119,194)
Deficit for the year	(1,000,849)	(829,639)

19. PROPERTY EXPENSES

	2018	2017
	HK\$	HK\$
Building management fee	24,285	22,749
Rates and government rent	19,493	23,354
Repairs and maintenance	41,040	53,176
	84,818	99,279

NOTES ON THE FINANCIAL STATEMENTS

20. SURPLUS ON HKMA NEWSLETTER

	2018	2017
	HK\$	HK\$
Advertising income	2,717,755	2,463,464
Less: Expenditure	(1,416,501)	(1,388,110)
Surplus for the year	1,301,254	1,075,354

21. COUNCIL MEMBERS' REMUNERATION: HK\$Nil (2017: HK\$Nil).

22. TAXATION

- i) No provision for Hong Kong profits tax has been made in these financial statements as the Association sustained a loss for tax purpose for the years ended 28th February, 2018 and 28th February, 2017.
- ii) The income tax expense for the year can be reconciled to the surplus/(deficit) before taxation per the statement of comprehensive income as follows:

	2018	2017
	HK\$	HK\$
Surplus/(deficit) before taxation	1,781,613	(2,080,982)
Tax calculated at normal income tax rate of 16.5% (2017: 16.5%)	293,966	(343,362)
Tax effect on non-taxable income	(723,302)	(294,535)
Tax effect on non-deductible expenses	9,333	182,231
Tax effect on temporary differences not recognised	(86,038)	(87,170)
Tax effect on income/expense on other fund	-	49
Tax loss unrecognised	506,041	542,787
Income tax expense for the year	-	-

- iii) Provision for deferred tax has not been provided in the financial statements as the effect of all temporary differences is not material.

At the end of the reporting period, the Association has unused tax losses of HK\$11,597,523 (2017: HK\$8,530,608) available for offset against future profits. No deferred tax assets has been recognised in respect of such losses due to the unpredictability of future profits streams.

23. FUNDS

The amounts of the Association's funds and the movements therein for the current and prior years are presented in the statement of changes in funds on page 8 of the financial statements.

Note : According to a Special Resolution passed on 21st July, 2005, it was resolved that the annual surplus of the Association be transferred to a special account and that when the balance of this special account is sufficient to offset the subscriptions receivable for the following year, an amount equivalent to the subscriptions receivable in that year be transferred from this account to the Annual Subscription account of the relevant year.

The amount of HK\$5,467,013 (2017: HK\$1,483,818) which is included in general fund transferred to special fund and represents as follows:

Annual surplus transferred:

Net surplus for the year ended 28th February, 2018

HK\$
5,467,013

24. OPERATING LEASE ARRANGEMENT

The Association leases its investment property under operating lease arrangement. At the end of the reporting period, the Association had total future minimum lease rental receivable under non-cancellable operating lease falling due as follows:

	2018 HK\$	2017 HK\$
- not later than one year	408,000	-
- later than one year and not later than five years	306,000	-
	714,000	-

25. FINANCIAL INSTRUMENTS

Financial assets of the Association include available-for-sale financial assets, utility and other deposits, amount due from a related company, sundry receivables and cash and bank balances. Financial liabilities of the Association include sundry payables and accruals and amount due to a related company.

The main risks arising from the Association's financial instruments are interest rate risk and credit risk and liquidity risk. The Council members reviews and agrees to policies for managing each of these risks and they are summarised below:

a) Financial risk factors:

1) Foreign currency risk

The Association is exposed to foreign exchange risk arising from United States dollars and Renminbi ("RMB") exposure. Foreign exchange risk mainly arises from the Association's recognised assets as disclosure in note (10).

Hong Kong dollars are pegged to the United States dollars and the foreign exchange exposure between them are considered limited.

HKD/RMB fluctuated from 1.131 to 1.2429 during the year ended 28th February, 2018, resulting in an exchange gain of HK\$2,209,717 (2017: Exchange loss of HK\$1,065,214) [included in the exchange gain of HK\$2,211,861 (note 11) (2017: Exchange loss of HK\$1,065,830)(note 12)].

Sensitivity analysis

As at 28th February, 2018, it is estimated that a general increase/decrease of 5 percent in CNY, with all other variables held constant, would increase/decrease the Association's surplus for the year by approximately HK\$1,227,208 (2017: decrease/increase the Association's deficit for the year by approximately HK\$1,085,367).

The sensitivity analysis has been determined assuming that the change in foreign exchange rates had occurred at the end of the reporting period and had been applied to the Association's exposure to currency risk for both derivative and non-derivative financial instruments in existence at that date, and that all other variables, in particular interest rates, remain constant.

The stated changes represent management's assessment of reasonably possible changes in foreign exchange rates over the period until the end of next annual reporting period. In this respect it is assumed that the pegged rate between the Hong Kong dollar and the United States dollar would be materially unaffected by any changes in movement in value of the United States dollar against other currencies. The analysis is performed on the same basis for 2017.

NOTES ON THE FINANCIAL STATEMENTS

25. FINANCIAL INSTRUMENTS (CONT'D)

a) Financial risk factors: (cont'd)

2) Credit risk

The Association's maximum exposure to credit risks in the event of the counterparties failure to perform their obligations as at 28th February, 2018 in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

As at 28th February, 2018 and 28th February, 2017, the financial assets of the Association that were exposed to credit risk and their maximum exposure were as follows:

	2018		2017	
	Carrying amount in the statement of financial position	Maximum exposure to credit risk	Carrying amount in the statement of financial position	Maximum exposure to credit risk
	HK\$	HK\$	HK\$	HK\$
Financial assets				
Utility and other deposits	126,241	126,241	125,381	125,381
Amount due from a related company	–	–	405	405
Sundry receivables	2,471,683	2,471,683	1,116,000	1,116,000
Cash and bank balances	75,545,829	75,545,829	71,756,367	71,756,367
	78,143,753	78,143,753	72,998,153	72,998,153

The credit risk on liquid funds is limited because the counterparties are banks with high credit-ratings.

3) Liquidity risk

The Association's policy is to regularly monitor its liquidity requirements to ensure that it maintains sufficient reserve of cash to meet its liquidity requirements in the short and longer terms.

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

	2018		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Current liabilities			
Amount due from a related company	1,490	(1,490)	(1,490)
Sundry payables and accruals	67,302,626	(67,302,626)	(67,302,626)
	67,304,116	(67,304,116)	(67,304,116)

	2017		
	Carrying amount	Total contractual undiscounted cash flow	Within 1 year or on demand
	HK\$	HK\$	HK\$
Current liabilities			
Sundry payables and accruals	61,755,352	(61,755,352)	(61,755,352)

25. FINANCIAL INSTRUMENTS (CONT'D)

a) Financial risk factors: (cont'd)

4) Price risk

The Association is exposed to equity security price risk on available-for-sale financial assets. The fair value adjustment will be affected either positively or negatively, amongst others, by the changes in stock price. The Association's equity price risk is mainly concentrated on equity instruments quoted in the Stock Exchange in Hong Kong. The management manages the exposure to price risk by maintaining a portfolio of investments with different risk and return profiles.

Sensitivity analysis

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period.

The following denominates the sensitivity to every 5% change in the fair values of listed equity securities classified as available-for-sale financial assets with all other variable held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period.

- Investment Revaluation Reserve of the Association for the year would increase/decrease by HK\$1,190,783 (2017: HK\$961,894).

b) Fair value :

i) Financial assets and liabilities measured at fair value

The following table presents fair value of Association's financial instruments measured at the end of the reporting period on a recurring basis, categorised into the three-levels fair value hierarchy as defined in HKFRS 13, *Fair value measurement*. The level into which a fair value measurement is classified is determined with reference to the observability and significance of the inputs used in the valuation technique as follows:

- Level 1 valuation: fair values measured using only level 1 inputs i.e. unadjusted quoted prices in active markets for identical assets or liabilities at measurement date.
- Level 2 valuation: fair values measured using Level 2 inputs i.e. observable inputs which fail to meet Level 1 and not using significant unobservable inputs. Unobservable inputs are inputs for which market data are not available.
- Level 3 valuation: fair values measured using significant unobservable inputs.

	Fair value measurements as at 28 th February			Total fair value at 28 th February	Valuation technique and key input
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$		
2018 Assets				HK\$	
Available-for-sale financial assets	23,815,656	-	-	23,815,656	Quoted bid price in an active market
	Fair value measurements as at 28 th February			Total fair value at 28 th February	Valuation technique and key input
	Level 1 HK\$	Level 2 HK\$	Level 3 HK\$		
2017 Assets				HK\$	
Available-for-sale financial assets	19,237,878	-	-	19,237,878	Quoted bid price in an active market

During the year, there were no significant transfers between instruments in Level 1 and Level 2.

ii) Fair values of financial instruments carried at other than fair value

The council members consider that all of the other financial assets and liabilities are carried at amounts not materially different from their fair values as at 28th February, 2018 and 28th February, 2017.

NOTES ON THE FINANCIAL STATEMENTS

26. RELATED PARTY TRANSACTIONS

- a) Key management personnel compensation: HK\$Nil (2017: HK\$Nil).
- b) Details of balance with a related company are set out in note 9 on the financial statements.

27. FUND MANAGEMENT

The Association's objectives when managing fund are:

- To safeguard the Association's ability to continue as a going concern, so that it continues to provide benefit for members;
- To support the Association's stability and growth; and
- To provide fund for the purpose of strengthening the Association's risk management capability.

The Association actively and regularly reviews and manages its fund structure to ensure optimal fund structure, taking into consideration the future fund requirements of the Association and prevailing and projected profitability and projected operating cash flows. Details of movements in funds are set out in note (23) on the financial statements.

28. POSSIBLE IMPACT OF AMENDMENTS, NEW STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE FOR THE YEAR ENDED 28TH FEBRUARY, 2018

Up to the date of issue of these financial statements, the Hong Kong Institute of Certified Public Accountants has issued a number of amendments, new standards and interpretations which are not yet effective for the year ended 28th February, 2018 and which have not been adopted in these financial statements.

The Association is in the process of making an assessment of what the impact of these amendments, new standards and new interpretations is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the Association's financial performance and financial position.

香港醫學會

一九二零年成立
一九六零年註冊
擔保有限公司檔案編號 6030

亞洲及大洋洲醫學聯會
世界醫學會
會員

香港醫學組織聯會
創會會員

聯繫機構
香港醫學會慈善基金
二零零六年成立及註冊

The Hong Kong Medical Association

Founded in 1920
Incorporated in 1960
A company limited by guarantee Companies Registry File No. 6030

Member of
Confederation of Medical Associations in Asia & Oceania
World Medical Association

Founder Member of
The Federation of Medical Societies of Hong Kong

Associated Company
The Hong Kong Medical Association Charitable Foundation
Founded and incorporated in 2006

香港灣仔軒尼詩道十五號溫莎公爵社會服務大廈五樓

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The Hong Kong Medical Association

