IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

and its subsidiary company
Association Registration No:- A2718059A
(Constituted in Singapore)

FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

PRESIDENT AND HON. TREASURERS' REPORT
For the financial year ended 30 June 2007

Management Committee	:	David Gerald Jeyasegaram	-	President
		Cheong Boon Leong Christopher	-	Vice President
		Ang Hao Yao	-	Hon. Treasurer
		Cheng Oon Teck	-	Hon. Secretary
		Kenneth Pang Cheow Jow	-	Asst. Hon. Treasurer
		Lee Khek Ern, Ken	-	Asst. Hon. Secretary
		Chen Wei Ching	-	Chairman, SIAS Corporate Governance Committee
		K.V. Vasudevan Menon	-	Editor, SIAS E-Newsletter & Publications
		Sebastian Chong Yee Siew	-	Chairman, Investor Education Advisory Committee
		S.M. Arumugam	-	Committee Member

Registered Office	:	138 Cecil Street #06-03 Cecil Court Singapore 069538
Banker	:	Malayan Banking Berhad
Auditors	:	PlanAssure PAC

Contents **Page**

Statement by President and Hononary Treasurer	2
Auditors' Report	3
Income and Expenditure Statement	4
Balance Sheet	5
Statement of Changes in Accumulated Surplus	6
Consolidated Cash Flow Statement	7
Notes to the Financial Statements	8 - 20

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate

STATEMENT BY PRESIDENT AND HON. TREASURER
For the financial year ended 30 June 2007

We, David Gerald Jeyasegaram, and Ang Hao Yao, being the President and Honorary Treasurer of Securities Investors Association (Singapore), do hereby state that, in the opinion of the management committee,

(i) the accompanying income and expenditure statement, balance sheet, statement of changes in accumulated surplus and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Association and of the Group at 30 June 2007 and of the results of the activities, and changes in accumulated surplus and cash flow of the Association and of the Group for the financial year then ended, and

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

On behalf of the management committee

Jeyasegaram David @ David Gerald Jeyasegaram President	Ang Hao Yao Honorary Treasurer

Singapore,

PLANASSURE *PAC* *Certified Public Accountants*

Registration No. 200205590N
(Formerly practising as Patrick Lee & Co since 1973)

138 Cecil Street #18-00 Cecil Court Singapore 069538
Email: audit@plconsult.com.sg
Tel: +65 6224 1171
Fax: +65 6223 8718

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and [illegible] its contents cannot be reli[illegible] on as being accurate

AUDITORS' REPORT TO THE MANAGEMENT COMMITTEE OF SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

We have audited the accompanying financial statements SECURITIES INVESTORS ASSOCIATION (SINGAPORE), which comprise the balance sheet as at 30 June 2007, and the income statement, statement of changes in accumulated surplus and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Association's management committee responsibility for the Financial Statements
The association's management committee 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 directors, as well as evaluating the overall presentation of the financial statements.

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

In our opinion,

(a) the consolidated financial statements of the Group and the financial statements of the Association are properly drawn up in accordance with the provisions of the Securities Investors Association (Singapore) Constitution (the "constitution") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Association as at 30 June 2007 and of the results of the businesses, and changes in accumulated surplus and cash flows of the Group and the Association for the financial year ended on that date; and

(b) the accounting and other records required by the Constitution to be kept by the Association have been properly kept in accordance with the provisions of the Constitution.

PlanAssure PAC
Certified Public Accountants

Singapore,

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate

INCOME AND EXPENDITURE STATEMENT
For the financial year ended 30 June 2007

	Note	Group 2007 $	Group 2006 $	Association 2007 $	Association 2006 $
Revenue	3	**935,874**	791,892	**308,696**	242,408
Other income	4	**724,212**	568,267	**663,733**	467,648
Services consumed	5	**(398,343)**	(341,802)	**(286,320)**	(226,678)
Staff costs	6	**(818,083)**	(660,149)	**(392,179)**	(330,952)
Depreciation	9	**(22,264)**	(27,069)	**(12,233)**	(10,705)
Other expenditure		**(400,628)**	(276,698)	**(242,675)**	(135,373)
Operating surplus	7	**20,768**	54,441	**39,022**	6,348
Finance income	8	**9,246**	5,802	**9,246**	5,802
Surplus before taxation		**30,014**	60,243	**48,268**	12,150
Taxation	10	**(8,681)**	(2,058)	**(8,681)**	(296)
Surplus for the financial year		**21,333**	58,185	**39,587**	11,854

Jeyasegaram David @
David Gerald Jeyasegaram
President

Ang Hao Yao
Honorary Treasurer

Singapore,

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

BALANCE SHEET
As at 30 June 2007

		Group		Association	
	Note	**2007**	2006	**2007**	2006
		$	$	**$**	$
NON-CURRENT ASSETS					
Plant and equipment	9	**28,093**	21,394	**17,866**	16,458
Investment in subsidiary	11	-	-	**150,000**	150,000
CURRENT ASSETS					
Trade receivables		**129,250**	102,250	-	-
Other receivables	12	**63,413**	71,435	**47,161**	55,896
Fixed deposits	13	**418,040**	362,102	**418,040**	362,102
Cash and bank balances	13	**168,335**	234,717	**100,426**	129,502
		779,038	770,504	**565,627**	547,500
CURRENT LIABILITIES					
Other payables	14	**8,034**	8,500	**2,800**	3,300
Deferred income	15	**329,883**	344,198	**255,463**	283,696
Provision for taxation	10	**10,443**	1,762	**8,681**	-
		348,360	354,460	**266,944**	286,996
NET CURRENT ASSETS		**430,678**	416,044	**298,683**	260,504
		458,771	437,438	**466,549**	426,962
RESERVES					
Accumulated surplus of association		**466,549**	426,962	**466,549**	426,962
Accumulated surplus/(deficit) of subsidiary		**(7,778)**	10,476	-	-
		458,771	437,438	**466,549**	426,962

Jeyasegaram David @
David Gerald Jeyasegaram
President

Ang Hao Yao
Honorary Treasurer

Singapore,

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the financial year ended 30 June 2007

	Accumulated surplus of Association $	Accumulated surplus/(deficit) of subsidiary $	Total surplus $
Group			
Balance as at 1 July 2006	426,962	10,476	437,438
Suplus/(deficit) for the financial year	39,587	(18,254)	21,333
Balance as at 30 June 2007	466,549	(7,778)	458,771
Balance as at 1 July 2005	415,108	(35,855)	379,253
Suplus for the financial year	11,854	46,331	58,185
Balance as at 30 June 2006	426,962	10,476	437,438

	Accumulated surplus of Association $	Total surplus $
Association		
Balance as at 1 July 2006	426,962	426,962
Surplus for the financial year	39,587	38,622
Balance as at 30 June 2007	466,549	465,584
Balance as at 1 July 2005	415,108	415,108
Surplus for the financial year	11,854	11,854
Balance as at 30 June 2006	426,962	426,962

Jeyasegaram David @
David Gerald Jeyasegaram
President

Ang Hao Yao
Honorary Treasurer

Singapore,

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2007

	Note	Group		Association	
		2007	2006	**2007**	2006
		$	$	**$**	$
CASH FLOWS FROM OPERATING ACTIVITIES					
Surplus/(deficit) before taxation		**30,014**	60,243	**48,268**	12,150
Adjustments for:					
Depreciation	9	**22,264**	27,069	**12,233**	10,705
Interest income from fixed deposits		**(9,246)**	(5,802)	**(9,246)**	(5,802)
Surplus before working capital changes		**43,032**	81,510	**51,255**	17,053
Movements in working capital:-					
Trade receivables		**(27,000)**	(20,250)	**-**	-
Other receivables		**8,020**	(4,318)	**8,735**	(12,001)
Other payables		**(465)**	(2,570)	**(500)**	75
Deferred income		**(14,314)**	24,956	**(28,233)**	34,634
Amount owing to subsidiary		**-**	-	**-**	(20,000)
Cash (used in)/generated from operations		**9,273**	79,328	**31,257**	19,761
Interest income from fixed deposits		**9,246**	5,802	**9,246**	5,802
Taxation paid		**-**	(1,852)	**-**	(1,852)
Net cash generated from operating activities		**18,519**	83,278	**40,503**	23,711
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of plant and equipment		**(28,963)**	(25,860)	**(13,641)**	(7,036)
Net cash used in investing activities		**(28,963)**	(25,860)	**(13,641)**	(7,036)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash generated from financing activities		**-**	-	**-**	-
NET INCREASE IN CASH AND CASH EQUIVALENTS		**(10,444)**	57,418	**26,862**	16,675
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**596,819**	539,401	**491,604**	474,929
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	13	**586,375**	596,819	**518,466**	491,604

Jeyasegaram David @
David Gerald Jeyasegaram
President

Ang Hao Yao
Honorary Treasurer

Singapore,

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

1. General

The Association was registered in Singapore on 16 June 1999.

The address of the Association's registered office and its principal place of business is at 138 Cecil Street #06-03 Cecil Court Singapore 069538.

The principal activities of the Association are those of providing forum discussion of investment interests of members; presenting views to Singapore Exchange and other appropriate bodies; providing educational information and conducting research into all aspects of investments to and advisory services to members; and to act on behalf of members in Court of law, tribunals, conferences and administrative bodies to protect the interest of members.

2. Significant accounting policies

(2.1) Basis of preparation

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

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association's accounting policies. It also requires the use of certain critical accounting estimates and assumptions.

On 1 January 2006, the Association adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the Association's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the Association:

FRS 19 (Amendment)	Employee Benefits
FRS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
FRS 32 (Amendment)	Financial Instruments: Disclosures and Presentation
FRS 39 (Amendment)	Financial Guarantee Contracts
INT FRS 104	Determining whether an Agreement contains a Lease

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Association's accounting policies.

2. Significant accounting policies *(continued)*

(2.2) Revenue recognition

i) Subscription income is recognised on an accrual basis.
ii) Sponsorship income of the Association is recognised on accrual basis.
iii) Sponsorship income of the subsidiary is recognised on receipt basis.
iv) Revenue from rendering of services that are of short duration is recognized when the services are completed.
v) Interest income is accrued on a time proportionate basis by reference to the principal outstanding and at the interest rate applicable, on an effective yield basis.

(2.3) Employee benefits

Defined contribution plans

The Group has a defined contribution plan, required by local regulation, which covers substantially all of its domestic employees who are Singapore citizens and Singapore permanent residents. Under the defined contribution plan, the Group made monthly contributions based on the statutory funding requirement into a Central Provident Fund.

Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for estimated liability for annual leave as a result of service rendered by employees up to the balance sheet date.

(2.4) Deferred taxation

Deferred taxation is determined on the basis of tax effect accounting using the liability method, on all temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax assets and liabilities are measured using the tax rates expected to apply to taxable income in the periods in which those temporary differences are expected to be recovered or settled based on tax rates enacted or substantially enacted at the balance sheet date.

At each balance sheet date, the Group re-assesses unrecognised deferred tax assets and the carrying amount of deferred tax assets. The Group recognises a previously unrecognised deferred tax asset to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered. The Group conversely reduces the carrying amount of a deferred tax asset to the extent that it is no longer probable that sufficient taxable profit will be available to allow the benefit of part or all of the deferred tax asset to be utilised.

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

(2.5) Plant and equipment

(a) Measurement

(i) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2.6).

2. Significant accounting policies *(continued)*

(2.5) Plant and equipment *(continued)*

(a) Measurement

(ii) Component of costs

The cost of plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

(b) Depreciation

Depreciation on plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

		Useful lives
Computers	-	1 – 3 years
Furniture and fittings	-	3 – 5 years
Office equipment	-	5 years
Renovations	-	3 – 5 years

The residual values and useful lives of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date.

(c) Subsequent expenditure

Subsequent expenditure relating to plant and equipment that has already been recognized is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognized as an expense during the financial year in which it is incurred.

(d) Disposal

On disposal of an item of plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the income statement. Any amount in revaluation reserve relating to that asset is transferred to retained earnings.

(2.6) Impairment of assets

Plant and equipment and investments in subsidiaries are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

2. Significant accounting policies *(continued)*

(2.6) Impairment of assets *(continued)*
For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in the income statement unless the asset is carried at revalued amount, in which case such impairment loss is treated as revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used in to determine the assets recoverable amount since the last impairment loss was recognised. The carrying amount of the asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the income statement, unless the asset is carried at revalued amount, in which case such reversal is treated as a revaluation increase.

(2.7) Basis of consolidation
Subsidiaries are entities over which the Association has the power to govern the financial and operating policies.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Please refer to Note (2.8) for the Association's accounting policy on investments in subsidiary.

(2.8) Investment in a subsidiary
Investment in a subsidiary is stated at cost less accumulated impairment losses in the Association's balance sheet. On disposal of investment in the subsidiary, the difference between net disposal proceeds and the carrying amount of the investment is taken to the income statement.

2. Significant accounting policies *(continued)*

(2.9) Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the assets' carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

(2.10) Payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(2.11) Provisions

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

(2.13) Leases

Leases of property, plant and equipment where the Group has assumed substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Leases where 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 to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

(2.14) Cash and cash equivalents

Cash and cash equivalents consisting of fixed deposits, cash and bank balances are stated at cost.

2. Significant accounting policies *(continued)*

(2.15) Investment in financial assets

(a) Classification

The Company classifies its investments in financial assets in the following categories: financial assets at fair value through profit or loss, loans and receivables, held to maturity investments, and available for sale financial assets. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at its initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

(i) Financial assets at fair value through profit or loss

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categoried as held for trading unless they are designated as hedges. Assets in this category are classifies as current assets if they are either held for trading or are expected to be realised within 12 months after the balance sheet date.

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date. These are classified as non-current assets. Loans and receivables are included in trade and other receivables on balance sheet.

(iii) Held-to-maturity investments

Held-to-maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that the Company's management has the positive intention and ability to hold to maturity.

(iv) Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the balance sheet date.

(b) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date – the date on which the Company commits to purchase or sell the asset. Investments are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership.

2. Significant accounting policies *(continued)*

(2.15) Investment in financial assets *(continued)*

(c) Initial measurement
Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

(d) Subsequent measurement
Available-for-sale financial assets and financial assets at fair value through profit or loss are subsequently carried at fair value. Loans and receivables and held-to-maturity investment are carried at amortised cost using the effective interest method.

Realised and unrealized gains and losses arising from changes in the fair value of the "financial assets at fair value through profit or loss" investment category are included in the income statement in the period in which they arise. Unrealized gains and losses arising from changes in the fair value of investments classified as available-for-sale are recognized in the fair value reserve within equity. When investments classified as available-for-sale are sold or impaired, the accumulated fair value adjustment in the fair value reserve within equity are included in the income statement.

(e) Determination of fair value
The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(f) Impairment
The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity investments classified as available for sale, a significant or prolonged decline in the fair value of the investment below its cost is considered in determining whether the investments are impaired. If any such evidence exist for available-for-sale financial assets, the cumulative loss – measured as the difference between the acquisition cost and the current fair value, less any impairment loss on the financial asset previously recognized in profit or loss – is removed from the fair value reserve within equity and recognized in the income statement. Impairment losses recognized in the income statement on equity investments are not reversed through the income statement, until the equity investments are disposed of.

2. Significant accounting policies *(continued)*

(2.16) Foreign currency translation

(i) Measurement currency

Items included in the financial statements of the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant of that entity ("the measurement currency"). The financial statements of the Group are presented in Singapore Dollars, which is the measurement currency of the Group.

(ii) Transactions and balances

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the date of transactions. Foreign currency monetary assets and liabilities are translated into the measurement currency at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Foreign exchange gains and losses resulting from the settlement of foreign currency transactions and from the translation at financial year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are taken to the income statement.

(2.17) Financial instruments

Financial assets and financial liabilities, carried on the balance sheet include cash and cash equivalents, receivables and payables. The accounting policies on recognition and measurement of these items are disclosed in the respective accounting policies found in the Notes.

(2.18) Accounting estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires the management committee to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

3. Revenue

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Activities income	**305,976**	175,674	**280,274**	175,674
Course fees	**17,230**	57,934	**17,230**	52,729
Contract research	**503,696**	379,950	**-**	-
Subscriptions	**108,972**	178,334	**11,192**	14,005
	935,874	791,892	**308,696**	242,408

IMPORTANT NOTICE

This document is in DRAFT form and INCOMPLETE. It is subject to review and change and therefore its contents cannot be relied upon as being accurate.

4. Other income

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Sponsorships	**461,270**	528,161	**415,506**	428,161
Shareholders' communication services	**248,227**	39,327	**248,227**	39,327
Others	**14,715**	779	**-**	160
	724,212	568,267	**663,733**	467,648

5. Services consumed

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Information service providers	**-**	76,968	**-**	-
Seminars courses and conferences	**124,562**	232,702	**83,743**	213,232
Activities expenses	**251,481**	-	**180,277**	-
Web designing expenses	**22,300**	32,132	**22,300**	13,446
	398,343	341,802	**286,320**	226,678

6. Staff costs

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Casual labour	**11,551**	-	**11,551**	-
Employer's CPF and related contributions	**66,028**	54,198	**23,227**	22,020
Medical fees	**3,847**	394	**2,759**	-
Salaries and related expenses	**721,929**	600,946	**339,914**	304,321
Transport allowance	**14,400**	-	**14,400**	-
Staff welfare	**328**	4,611	**328**	4,611
	818,083	660,149	**392,179**	330,952

7. Operating surplus

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
This is arrived at after charging:-				
Advertisements	**71,267**	10,756	**64,715**	10,441
Insurance	**11,508**	9,367	**1,125**	421
Office rentals	**85,825**	65,841	**53,949**	38,587
Printing and stationery	**24,307**	22,055	**14,287**	11,002
Rental of auditorium hall	**33,525**	-	**33,525**	-
Rental of equipment	**18,182**	15,717	**11,261**	8,662
Telephone and faxes	**13,584**	17,616	**10,425**	14,520
Transportation expenses	**7,363**	21,181	**18,910**	18,970

8. Finance income

	Group and Association	
	2007	2006
	$	$
Interest on fixed deposits	**9,246**	5,802

Fixed deposits earn interest at 0.375% to 2.750% per annum (2006: 5% per annum) (refer to Note 13).

9. Plants and equipment

Group

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 July 2006	67,734	30,092	18,960	38,749	155,535
Additions	5,270	11,374	973	11,346	28,963
Balance as at 30 June 2007	73,004	41,466	19,933	50,095	184,498
Accumulated depreciation					
Balance as at 1 July 2006	59,566	25,065	16,775	32,735	134,141
Depreciation for the financial year	9,563	6,557	1,052	5,092	22,264
Balance as at 30 June 2007	69,129	31,622	17,827	37,827	156,405
Carrying value					
Balance as at 30 June 2007	3,875	9,844	2,106	12,268	28,093
Balance as at 30 June 2006	8,168	5,027	2,185	6,014	21,394
Depreciation for 2006	21,440	1,804	975	2,850	27,069

Association

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 July 2006	40,347	22,191	18,960	37,749	119,247
Additions	2,295	-	-	11,346	13,641
Balance as at 30 June 2007	42,642	22,191	18,960	49,095	132,888
Accumulated depreciation					
Balance as at 1 July 2006	32,179	21,794	16,775	32,041	102,789
Depreciation for the financial year	6,587	132	728	4,786	12,233
Balance as at 30 June 2007	38,766	21,926	17,503	36,827	115,022
Carrying value					
Balance as at 30 June 2007	3,876	265	1,457	12,268	17,866
Balance as at 30 June 2006	8,168	397	2,185	5,708	16,458
Depreciation for 2006	7,045	168	975	2,517	10,705

10. Taxation

(a) Tax expense

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Based on the results for the year	**8,681**	1,762	**8,681**	-
Under-provision in prior years	-	296	-	296
	8,681	2,058	**8,681**	296

A reconciliation of the income tax determined on the results of the Association by applying the Singapore statutory income tax rate to the income tax expense is as follows:

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Surplus before taxation	**30,014**	60,243	**48,268**	12,150
Tax calculated at statutory tax rate of 18% (2006: 20%)	**5,037**	12,049	**8,688**	2,430
Non deductible expenses	**5,400**	6,919	**2,675**	2,774
Non-taxable income	-	(6)	-	(6)
Utilisation of unrecognised deferred tax assets	**(2,682)**	(14,981)	**(2,682)**	(5,741)
Carry forward of unrecognised deferred tax assets	**926**	543	-	543
Statutory tax exemption	-	(2,762)	-	-
Under-provision in prior years	-	296	-	296
	8,681	2,058	**8,681**	296

(b) Provision for taxation

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Balance at beginning of the financial year	**1,762**	1,556	-	1,556
Income tax paid	-	(1,556)	-	(1,556)
Current financial year's tax expense on profit	**8,681**	1,762	**8,681**	-
Balance at end of the financial year	**10,443**	1,762	**8,681**	-

The Group has estimated unutilised tax losses and unabsorbed capital allowances amounting to approximately $NIL (2006: $ NIL) and $2,715 (2006: $2,715) respectively available for offsetting against future taxable income.

Unrecognised deferred tax asset arising from the unutilised tax losses and unabsorbed capital allowances amounting to approximately $NIL (2006: $NIL) and $543 (2006: $543) respectively has not been recognised in the accounts due to the uncertainty of their recoverability. The use of unutilised tax losses and unabsorbed capital allowances is subject to the relevant provisions of the tax legislation.

11. Investment in subsidiary

The Association's investment in SIAS Research Pte Ltd is jointly held in trust, and is directly controlled by the President and Vice-President.

	Association	
	2007	2006
	$	$
Unquoted shares, at cost	**150,000**	150,000

Details of the subsidiary as at 30 June 2007 are as follows:-

Name of Company	Principal activities	Country of incorporation	Percentage of equity held		Cost of investment	
			2007	2006	**2007**	2006
			%	%	**$**	$
SIAS Research Pte Ltd *	Providing investment and financial advisory services	Singapore	**100**	100	**150,000**	150,000

** Audited by PlanAssure PAC*

12. Other receivables

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Other debtors	**20,000**	28,000	**20,000**	28,000
Deposits	**17,655**	27,132	**4,975**	15,033
Prepayments	**25,758**	16,303	**22,186**	12,863
	63,413	71,435	**47,161**	55,896

13. Cash and cash equivalents

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Fixed deposits	**418,040**	362,102	**418,040**	362,102
Cash and bank balances	**168,335**	234,717	**100,426**	129,502
	586,375	596,819	**518,466**	491,604

Fixed deposits earn interest at 0.375% to 2.750% (2006: 5%) per annum (refer to Note 8).

14. Other payables

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Accruals	**8,034**	8,500	**2,800**	3,300

15. Deferred income

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Subscriptions in advance	**76,109**	62,190	**1,688**	1,688
Unutilised funds from sponsorship	**158,329**	158,835	**158,329**	158,835
Unutilised funds from shareholder communication services	**95,445**	123,173	**95,446**	123,173
	329,883	344,198	**255,463**	283,696

16. Operating lease commitments

At the balance sheet date, the Group was committed to making the following payments in respect of non-cancellable operating leases with a term of more than one year:

	Group		Association	
	2007	2006	**2007**	2006
	$	$	**$**	$
Lease of office premise:				
Payable within 1 year	**92,956**	78,489	**56,595**	49,980
Payable after 1 year but within 5 years	**76,605**	77,836	**75,460**	75,460
	169,561	156,325	**132,055**	125,440
Rental expense for the financial year	**85,825**	65,841	**53,949**	38,587
Lease of office equipment:				
Payable within 1 year	**16,200**	16,200	**9,900**	9,900
Payable after 1 year but within 5 years	**29,586**	42,300	**19,800**	29,700
	45,786	58,500	**29,700**	39,600
Rental expense for the financial year	**18,182**	15,716	**11,261**	8,662

17. Financial instruments - risk management

Financial risk management objectives and policies

The Group is exposed to interest rate, liquidity and credit risks. The Group's risk management approach seeks to minimise the potential material adverse impact of these exposures.

Interest rate risk
The Group is exposed to interest rate risks in respect of interest bearing bank deposits.

17. Financial instruments - risk management *(continued)*

Liquidity risk
The Group maintains sufficient bank balances to ensure adequate working capital commitments and that repayment and funding needs are met.

Surplus funds are placed with reputable banks.

Credit risk
The Company has a credit risk policy in place and the exposure to credit risk is maintained on an ongoing basis.

Fair values
The carrying value of financial assets and liabilities included in current assets and current liabilities approximate their fair values due to their short-term maturity.

19. Authorisation of financial statements

The Management Committee of Securities Investors Association (Singapore) authorised these financial statements for issue on ____________________.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

INCOME AND EXPENDITURE STATEMENT

For the financial year ended 30 June 2007

	2007 $	2006 $
REVENUE		
Subscriptions	**11,192**	14,005
Activities income	**280,274**	175,674
Course fees	**17,230**	52,729
	308,696	242,408
LESS : COST OF SERVICES		
Seminars, courses and conferences	**83,743**	213,232
Web designing expenses	**22,300**	13,446
Activities expenses	**180,277**	-
	286,320	226,678
GROSS SURPLUS	**22,376**	15,730
ADD : OTHER INCOME		
Interest income from fixed deposits	**9,246**	5,802
Sponsorships	**415,506**	428,161
Shareholders' communication services	**248,227**	39,327
Others	**-**	160
	672,979	473,450
	695,355	489,180
LESS: EXPENSES *(APPENDIX I)*	**(647,087)**	(477,030)
SURPLUS FOR THE FINANCIAL YEAR	**48,268**	12,150

The above statement does not form part of the audited financial statements.

APPENDIX I

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

INCOME AND EXPENDITURE STATEMENT

For the financial year ended 30 June 2007

	2007 $	2006 $
EXPENDITURE		
Advertisements	**64,715**	10,441
Accounting, audit and tax fees	**8,800**	7,725
Administrative expenses	**2,405**	2,074
Bank charges	**180**	85
Casual labour	**11,551**	-
Communication charting service	**9,750**	-
Depreciation	**12,233**	10,705
Donations	**-**	250
Newspaper and Magazines	**86**	43
Employer's CPF and related contributions	**23,227**	22,020
Entertainment	**8,460**	4,880
General expenses	**815**	130
Gift and condolences	**4,091**	2,333
Insurance	**1,125**	421
Medical fees	**2,759**	-
Office rentals	**53,949**	38,587
Office expenses	**379**	-
Postage and couriers	**8,063**	1,959
Printing and stationery	**14,287**	11,002
Professional fee	**250**	-
Rental of equipment	**11,261**	8,662
Rental of auditorium hall	**33,525**	-
Repairs and maintenance	**2,944**	6,401
Salaries and related expenses	**339,914**	304,321
Staff welfare	**328**	4,611
Subcontracting charges	**-**	5,043
Telephone and faxes	**10,425**	14,520
Transportation expenses	**18,910**	18,970
Utilities	**2,655**	1,847
	647,087	477,030

The above statement does not form part of the audited financial statements.