SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

(Unique Entity Number: S99SS0111B)
(Registered Under the Charities Act, Chapter 37 and Societies Act, Chapter 311)

Statement by Management Committee and Financial Statements

Year Ended 30 June 2019

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement by Management Committee and Financial Statements

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SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement by Management Committee

In the opinion of the management committee,

(a) the accompanying statement of financial activities, statement of financial position, statement of cash flows, and notes thereto are drawn up so as to present fairly, in all material respects of the state of affairs of Securities Investors Association (Singapore) (the "association") as at 30 June 2019 and the results and cash flows of the association for the reporting year then ended; and

(b) 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.

The management committee approved and authorised these financial statements for issue.

On behalf of the management committee,

....	....
Jeyasegaram David @ David Gerald Jeyasegaram	Lim Chuang
President	Honorary Treasurer

16 October 2019

Independent Auditor's Report to the Management Committee of
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Securities Investors Association (Singapore) ("the association"), which comprise the statement of financial position as at 30 June 2019, and the statement of financial activities, and statement of cash flows for the reporting year then ended, and notes to the financial statements, including the significant accounting policies.

In our opinion, the accompanying financial statements of the association are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations (the Charities Act and Regulations), and the Singapore Financial Reporting Standards (SFRS) so as to present fairly, in all material respects, the state of affairs of the association as at and the results, changes in funds and cash flows of the association for the year ended on that date.

Basis for opinion

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

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by the management committee and annual 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.

Other information (cont'd)

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

Responsibilities of management committee and those charged with governance for the financial statements

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

In preparing the financial statements, management is 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 management either intends to liquidate the association or to cease operations, or has no realistic alternative but to do so.

The management committee and those charged with governance are responsible for overseeing the association's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

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

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

a) 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.

b) 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.

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

d) Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.

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

We communicate with the management committee 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.

We also provide the management committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, the Charities Act and Regulations; and

During the course of our audit, nothing has come to our attention that causes us to believe that during the reporting year, the use of the donation moneys was not in accordance with the objectives of the association as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Woo E-Sah.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

16 October 2019

Statement of Financial Activities
Year Ended 30 June 2019

	Notes	2019 $	2018 $
Revenue	4	2,498,539	2,351,276
Interest income	5	1,267	911
Other gains	6	110,443	103,221
Items of expenditure			
Services consumed	7	(482,010)	(503,105)
Depreciation expense	11	(9,075)	(23,580)
Employee benefits expense	8	(1,226,472)	(1,177,219)
Other losses	6	(2,675)	(3,000)
Other operating expenses	9	(842,607)	(647,713)
Total expenditure		(2,562,839)	(2,354,617)
Net income before tax		47,410	100,791
Income tax expense	10	–	–
Net income for the year		47,410	100,791
Total funds brought forward		800,989	700,198
Total funds carried forward		848,399	800,989

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position
As at 30 June 2019

	Notes	2019	2018
ASSETS		$	$
Non-current assets			
Plant and equipment	11	15,470	17,971
Total non-current assets		15,470	17,971
Current assets			
Trade and other receivables	12	633,337	291,066
Other assets	13	158,239	11,832
Cash and cash equivalents	14	790,577	921,901
Total current assets		1,582,153	1,224,799
Total assets		1,597,623	1,242,770
Non-current liabilities			
Other liabilities, non-current	15	38,000	38,000
Total non-current liabilities		38,000	38,000
Current liabilities			
Trade and other payables	16	373,262	183,930
Other liabilities, current	17	337,962	219,851
Total current liabilities		711,224	403,781
Total liabilities		749,224	441,781
Net assets		848,399	800,989
FUNDS AND LIABILITIES			
Funds			
General fund		848,399	800,989
Total funds		848,399	800,989

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows
Year Ended 30 June 2019

	2019	2018
	$	$
Cash flows from operating activities		
Net income before tax	47,410	100,791
Depreciation of plant and equipment	9,075	23,580
Interest income	(1,267)	(911)
Operating cash flows before changes in working capital	55,218	123,460
Trade and other receivables	(342,271)	262,442
Other assets	(146,407)	61,027
Trade and other payables	189,332	(202,763)
Other liabilities, current	118,111	58,768
Net cash flows (used in) from operating activities	(126,017)	302,934
Cash flows from investing activities		
Purchase of plant and equipment	(6,574)	(18,835)
Interest received	1,267	911
Net cash flows used in investing activities	(5,307)	(17,924)
Net (decrease) increase in cash and cash equivalents	(131,324)	285,010
Cash and cash equivalents, beginning balance	921,901	636,891
Cash and cash equivalents, ending balance (Note 14)	790,577	921,901

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements
30 June 2019

1. General

Securities Investors Association (Singapore) (the “association”) is registered in Singapore under the Societies Act, Chapter 311. The financial statements are presented in Singapore dollars. The association is a charity registered under the Charities Act, Chapter 37 with effect from 8 May 2015. It is also an Institutions of a Public Character (“IPC”) registered under the Charities Act (Chapter 37) from 6 August 2018 to 5 August 2021.

The management committee approved and authorised these financial statements for issue on the date of the statement by the management committee.

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 various 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.

The registered office address is: 7 Maxwell Road, #05-03, MND Building, Annexe B, Singapore 069111. The association is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“SFRSs”) and the related interpretations to SFRS (“INT SFRS”) as issued by the Singapore Accounting Standards Council. They are in compliance with the provisions of the Societies Act, Chapter 311 and Charities Act, Chapter 37.

Accounting convention

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

Basic of preparation of the financial statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management 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 year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity’s accounting policies. The areas requiring management’s most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

2. Significant accounting policies and other explanatory information

2A. Significant accounting policies

Revenue recognition

The financial reporting standard on revenue from contracts with customers establishes a five-step model to account for revenue arising from contracts with customers. Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, trade discounts, volume rebates and changes to the transaction price arising from modifications), net of any related sales taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

(i) Seminars and conference

Revenue from rendering of services that are of short duration is recognised when the services are completed.

(ii) Sponsorship

Sponsorship income is recognised upon the association performing an act or service.

(iii) Membership fees

Membership fees for activities held are recognised when the services are rendered.

(iv) Donations

Revenue from donations are accounted for when received, except for committed donations that are recognised when the commitments are signed. Donations related to depreciable assets are usually recognised in the statement of financial activities over the periods necessary to match the depreciation of assets to which the donations relate.

Other income

Interest income is recognised using the effective interest method.

Grants

Government grants and similar non-government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. Grants and government subvention receipts in recognition of specific expenses are recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position by setting up the grant as deferred income. The deferred grants are recognised in the statement of financial activities over the period necessary to match the depreciation of assets to which the grants relate.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income tax

As a charity, the association is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to extent that these are applied to its charitable objects. No tax changes have arisen in the association.

Foreign currency transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Plant and Equipment – 3 to 5 years

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising from the derecognition of an item of plant and equipment is measured as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Plant and equipment (cont'd)

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Cost includes the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period. See Note 15 on non-current provisions.

Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Impairment of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units).

At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Financial instruments

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification and measurement of financial assets:

1. Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.

2. Financial asset that is a debt asset instrument classified as measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

3. Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): There were no financial assets classified in this category at reporting year end date.

4. Financial asset classified as measured at fair value through profit or loss (FVTPL): There were no financial assets classified in this category at reporting year end date.

Classification and measurement of financial liabilities:

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted

2. Significant accounting policies and other explanatory information (cont'd)

2A. Significant accounting policies (cont'd)

Cash and cash equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset / liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements.

2. Significant accounting policies and other explanatory information (cont'd)

2B. Other explanatory information

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. A Provision is made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

Reserve policy

The reserves of the association provide financial stability and the means for the development of the association's activities. The association intends to maintain the reserves at a level sufficient for its operating needs. The management committee reviews the level of reserves regularly for the association's continuing obligations.

2C. Critical judgements, assumptions and estimation uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

It is not the normal practice for the trustees/office bearers, or people connected with them, to receive remuneration, or other benefits, from the association for which they are responsible, or from institutions connected with the association except as disclosed below.

3. Related party relationships and transactions (cont'd)

The association paid individual expenses incurred by office bearers for services provided to the association, either by reimbursement of the office bearer concerned or by direct payment to a third party. The aggregate amount of those expenses for 2019 and 2018 is disclosed in Note 3A.

3A. Related parties:

	2019 $	2018 $
Reimbursement of expenses to the Chief Executive Officer ("CEO")	15,868	5,077

3B. Key management compensation:

	2019 $	2018 $
Salaries and other short-term employee benefits	292,860	286,785

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly. The above amounts for key management compensation is for the Chief Executive Officer.

4. Revenue

	2019 $	2018 $
Investors' Choice award	169,200	202,900
Membership fees	9,348	6,416
Seminars and conferences	554,487	501,477
Shareholders' communication services	108,625	106,708
Sponsorship	722,948	656,433
Donations (Note 4A)	933,881	874,300
Investment Scam Campaign	–	2,778
Other income	50	264
	2,498,539	2,351,276

The revenue is from services. About $ 1,666,966 (2018: $1,588,135) is recognised based on point in time and the balance is over time. The customers are commercial consumers, individuals and government agencies.

4A. Donations

This item includes the following:	2019 $	2018 $
Tax-deductible donations (1)	933,681	874,300
Non-tax-deductible donations	200	–
Total	933,881	874,300

(1) The association enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 times tax deduction for the donations made to the association. This status was renewed for 3 years with effect from 6 August 2018 under the Charities Act (Chapter 37).

5. Interest income

	2019 $	2018 $
Interest on fixed deposits	1,267	911

6. Other gains / (loss)

	2019 $	2018 $
Allowance for impairment on trade receivables	(2,675)	–
Bad debts written off	–	(3,000)
Government grants	110,443	103,221
	107,768	100,221
Presented in statement of financial activities as:		
Other gains	110,443	103,221
Other losses	(2,675)	(3,000)
Net	107,768	100,221

7. Services consumed

	2019 $	2018 $
Investors' Choice award	216,714	234,365
Event expenses	8,123	35,247
Seminars, courses and conferences	220,832	194,540
Website expenses	36,341	38,953
	482,010	503,105

8. Employee benefits expense

	2019 $	2018 $
Short-term employee benefits expense	1,097,435	1,047,034
Contributions to defined contribution plan	124,028	125,488
Other benefits	5,009	4,697
Total employee benefits expense	1,226,472	1,177,219

9. Other operating expenses

The major components and other selected components include the following:

	2019 $	2018 $
Advertising and promotion (a)	112,947	–
Investor education expenses	60,837	44,991
Rental of office premise	157,332	166,944
Research charges (a)	308,100	239,483
Overseas expenses (b)	31,289	9,643

9. Other operating expenses (cont'd)

(a) Included is $340,264 (2018: $228,150) of advertising and promotion and research charges expenses relating to the collaboration with Singapore Exchange Limited ("SGX") and Monetary Authority of Singapore ("MAS") on the SIAS Analysis of Annual Reports ("Project").

The Project is partially funded by SGX and MAS. The total funding of $335,448 (2018: $235,113) was recorded under sponsorship revenue of $237,948 (2018: $170,113) and government grant of $97,500 (2018:$65,000).

(b) The overseas expenses comprise mainly expenses related to the Inaugural Corporate Governance Conference in Thailand amounting to $30,055 (2018: $1,762).

10. Income tax

The association is registered as a charity with effect from 8 May 2015. Consequently, the association is exempt from tax on income and gains falling within section 13(1)(zm) of the Income Tax Act to the extent that these are applied to its charitable objects.

11. Plant and equipment

	Plant and equipment $
Cost:	
At 1 July 2017	189,702
Additions	18,835
Written off	(6,289)
At 30 June 2018	202,248
Additions	6,574
Written off	(915)
At 30 June 2019	207,907
Accumulated depreciation:	
At 1 July 2017	166,986
Depreciation for the year	23,580
Written off	(6,289)
At 30 June 2018	184,277
Depreciation for the year	9,075
Written off	(915)
At 30 June 2019	192,437
Net book value:	
At 1 July 2017	22,716
At 30 June 2018	17,971
At 30 June 2019	15,470

12. Trade and other receivables

	2019 $	2018 $
Trade receivables:		
Outside parties	597,672	250,170
Less allowance for impairment	(2,675)	–
Net trade receivables - subtotal	594,997	250,170
Other receivables:		
Deposits	38,340	40,896
Sub-total	38,340	40,896
Total trade and other receivables	633,337	291,066

Movements in above allowance on trade receivables:		
At beginning of the year	–	–
Charge for trade receivables to profit or loss included in other losses - individually	2,675	–
At end of the year	2,675	–

The association has less than 20 clients and which can be graded as low risk individually. These trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. The trade receivables are considered to have loss credit risk individually. At the end of the reporting year a loss allowance is recognised at an amount equal to 12 month expected credit losses because there has not been a significant increase in credit risk since initial recognition.

At each subsequent reporting date, an evaluation is made whether there is a significant change in credit risk by comparing the debtor's credit risk at initial recognition (based on the original, unmodified cash flows) with the credit risk at the reporting date (based on the modified cash flows). Adjustment to the loss allowance is made for any increase or decrease in credit risk.

As part of the process of setting client credit limits, different credit terms are used. The average credit period generally granted to trade receivable clients is about 30 days (2018: 30 days). But some clients take a longer period to settle the amounts.

At the end of reporting year, the trade receivable amounts that are past due but not impaired are as follows:

	2019 $	2018 $
Trade receivables:		
1 to 30 days	5,574	19,260
31 to 60 days	–	9,585
Total	5,574	28,845

Concentration of trade receivable as at the end of reporting year:

	2019 $	2018 $
Top 1 client	186,499	25,680
Top 2 clients	293,499	40,937
Top 3 clients	346,999	50,521

Other receivables are normally with no fixed terms and therefore there is no maturity.

13. Other assets

	2019 $	2018 $
Prepayments	158,239	11,832

14. Cash and cash equivalents

	2019 $	2018 $
Not restricted in use	790,577	921,901
Interest earning balances	206,345	205,078

The rate of interest for the cash on interest earning balances was between was 0.40% to 0.70% (2018: 0.40% to 0.70%).

15. Other liabilities, non-current

	2019 $	2018 $
Provision for restoration cost	38,000	38,000

The provision is based on quotations from external contractors for removing leasehold improvements from leased properties.

16. Trade and other payables

	2019 $	2018 $
Outside parties and accrued liabilities	373,262	183,930

17. Other liabilities, current

	2019 $	2018 $
Deferred income (Note 17A)	337,962	219,851

17. Other liabilities, current (cont'd)

17A. Deferred income

	2019 $	2018 $
Unutilised funds from:		
Sponsorship	113,917	116,917
Shareholder communication services	43,584	37,708
Corporate membership	1,750	6,226
Others	178,711	59,000
Total deferred income	337,962	219,851
Movement in above balance:		
Balance at beginning of the year	219,851	161,083
Received / receivable during the year	1,361,039	1,267,158
Utilised during the year	(1,242,928)	(1,208,390)
Balance at end of the year	337,962	219,851

The movements of deferred revenue relates to sponsorship for shareholder communication program and investor education program and corporate membership. The income is recognised over the sponsorship and/ or membership period.

18. Operating lease payment commitments – as lessee

At the end of the reporting year, the totals of future minimum lease payment commitments under non-cancellable operating leases are as follows:

	2019 $	2018 $
Not later than one year	160,920	160,920
Later than one year and not later than five years	6,300	167,220
Rental expenses for the year	165,104	174,635

Operating lease payments are for rentals payable for office which expires on 30 June 2020 and office equipment which expire on 30 April 2021. The lease rental terms are negotiated for an average term of three to five years and rentals are not subject to an escalation clause.

19. Financial instruments: information on financial risks

19A. Categories of financial assets and liabilities

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

	2019 $	2018 $
Financial assets:		
Financial assets at amortised cost	1,423,914	1,212,967
Financial liabilities:		
Financial liabilities at amortised cost	373,262	183,930

Further quantitative disclosures are included throughout these financial statements.

19. Financial instruments: information on financial risks (cont'd)

19A. Categories of financial assets and liabilities (cont'd)

There are no significant fair value measurements recognised in the statement of financial position.

19B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the association's operating, investing and financing activities. There are exposure to the financial risks on the financial instruments such as credit risk and liquidity risk. Management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

The association is not exposed to significant interest rate and currency risks.

19C. Fair values of financial instruments

The analyses of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the significant financial instruments stated at amortised cost and at fair value in the statement of financial position.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

19D. Credit risk on financial assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner. These arise principally from cash balances with banks, cash equivalents, receivables and other financial assets. The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (ECL) on financial assets, the three-stage approach in the financial reporting standard on financial instruments is used to measure the impairment allowance. Under this approach the financial assets move through the three stages as their credit quality changes. However, a simplified approach is permitted by the financial reporting standards on financial instruments for financial assets that do not have a significant financing component, such as trade receivables. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL (or lifetime ECL for trade receivables), unless the assets are considered credit impaired.

For credit risk on trade receivables an ongoing credit evaluation is performed on the financial condition of the debtors and an impairment loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Cash and cash equivalents are also subject to the impairment requirements of the standard on financial instruments. There was no identified impairment loss.

19. Financial instruments: information on financial risks (cont'd)

19E. Liquidity risk – financial liabilities maturity analysis

There are no non-current financial liabilities at the end of the reporting year. The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2018: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

20. Reserve policy

The reserves of the association provide financial stability and the means for the development of the association's activities. The association intends to maintain the reserves at a level sufficient for its operating needs. The management committee reviews the level of reserves regularly for the association's continuing obligations.

	2019 $	2018 $
Unrestricted income fund	848,399	800,989
Ratio of reserves to annual operating expenditure	0.33	0.34

21. Changes and adoption of financial reporting standards

For the current reporting year new or revised financial reporting standards were issued by the Singapore Accounting Standards Council. Those applicable to the reporting entity are listed below. Those applicable new or revised standards did not require any significant modification of the measurement methods or the presentation in the financial statements.

SFRS No.	Title
SFRS 109	Financial Instruments
SFRS 115	Revenue from Contracts with Customers. Amendments to, Clarifications to SFRS 115 Revenue from Contracts with Customers

22. New or amended standards in issue but not yet effective

For the future reporting years certain new or revised financial reporting standards were issued by the Singapore Accounting Standards Council and these will only be effective for future reporting years. Those applicable to the reporting entity for future reporting years are listed below. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any significant modification of the measurement methods or the presentation in the financial statements for the following year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application.

SFRS No.	Title	Effective date for periods beginning on or after
SFRS 116	Leases (and Leases - Illustrative Examples & Amendments to Guidance on Other Standards)	1 Jan 2019

Leases

The financial reporting standard on leases is effective for annual periods beginning on or after 1 January 2019 and it supersedes the previous reporting standard and the related interpretations on leases. For the lessor, the accounting remains largely unchanged. As for the finance leases of a lessee, as the financial statements have already recognised an asset and a related finance lease liability for the lease arrangement, the application of the new reporting standard on leases is not expected to have a material impact on the amounts recognised in the financial statements. For the lessee almost all leases will be brought onto the statements of financial position under a single model (except leases of less than 12 months and leases of low-value assets), eliminating the distinction between operating and finance leases. For the entity's non-cancellable operating lease commitments as at 30 June 2019 shown in Note 18, a preliminary assessment indicates that these arrangements will continue to meet the definition of a lease under the new reporting standard on leases. Thus, the entity will have to recognise a right-of-use asset and a corresponding liability in respect of all these leases (unless they qualify for low value or short-term leases) which might have a material impact on the amounts recognised in the financial statements. However, it is not practicable to provide a reasonable financial estimate of that effect until the detailed review by managemet is completed.