

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

Statement by Management Committee and Financial Statements

Reporting Year Ended 30 June 2021

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 2021 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
President

.....
Toh Seng Hong
Honorary Treasurer

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**Independent Auditor’s Report to the Members 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 2021, and the statement of financial activities, statements of changes in funds 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 30 June 2021 and the results, changes in funds and cash flows of the association for the reporting 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.

**Independent Auditor's Report to the Members of
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

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 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 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.

**Independent Auditor's Report to the Members of
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

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.

**Independent Auditor's Report to the Members of
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**

Report on other legal and regulatory requirements

In our opinion,

- a) the accounting and other records required to be kept by the association have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act, and the Charities Act and Regulations; and
- b) the fund-raising appeals held during the reporting year have been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept for the fund-raising appeals.

During the course of our audit, nothing has come to our attention that causes us to believe that during the reporting year:

- a) the association has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- b) the association has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Tan Wei Ling.

RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

October 2021

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

**Statement of Financial Activities
Reporting Year Ended 30 June 2021**

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
Revenue	4	1,141,832	2,480,747
Interest income	5	5,900	1,534
Other gains	6	1,855,381	187,495
<u>Items of expenditure</u>			
Services consumed	7	(83,383)	(726,694)
Depreciation expense	12	(22,392)	(16,282)
Amortisation expense	13	(145,398)	(141,142)
Employee benefits expense	8	(1,534,033)	(1,354,302)
Finance costs	9	(7,799)	(10,105)
Other operating expenses	10	(335,289)	(358,124)
Total expenditure		(2,128,294)	(2,606,649)
Net income before tax		874,819	63,127
Income tax expense	11	–	–
Net income for the year	22	874,819	63,127

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

**Statement of Financial Position
As at 30 June 2021**

	<u>Notes</u>	<u>2021</u> \$	<u>2020</u> \$
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	12	64,411	75,781
Right-of-use assets	13	302,848	448,246
Total non-current assets		<u>367,259</u>	<u>524,027</u>
<u>Current assets</u>			
Trade and other receivables	14	239,190	255,150
Other assets	15	10,190	10,441
Cash and cash equivalents	16	1,836,703	1,019,256
Total current assets		<u>2,086,083</u>	<u>1,284,847</u>
Total assets		<u>2,453,342</u>	<u>1,808,874</u>
<u>Non-current liabilities</u>			
Lease liabilities	20	163,455	308,619
Other liabilities, non-current	17	38,000	38,000
Total non-current liabilities		<u>201,455</u>	<u>346,619</u>
<u>Current liabilities</u>			
Lease liabilities	20	145,164	142,226
Trade and other payables	18	223,196	246,879
Other liabilities, current	19	97,182	161,624
Total current liabilities		<u>465,542</u>	<u>550,729</u>
Total liabilities		<u>666,997</u>	<u>897,348</u>
Net assets		<u>1,786,345</u>	<u>911,526</u>
FUNDS			
Unrestricted fund	22	1,781,345	911,526
Restricted fund	22	5,000	–
Total funds		<u>1,786,345</u>	<u>911,526</u>

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement of Changes in Funds Reporting Year Ended 30 June 2021

	Unrestricted <u>Fund</u> \$	Restricted <u>Fund</u> \$	<u>Total</u> \$
Current year:			
Opening balance at 1 July 2020	911,526	–	911,526
Changes in funds:			
Net income for the year	869,819	5,000	874,819
Closing balance at 30 June 2021	<u>1,781,345</u>	<u>5,000</u>	<u>1,786,345</u>
Previous year:			
Opening balance at 1 July 2019	848,399	–	848,399
Changes in funds:			
Net income for the year	63,127	–	63,127
Closing balance at 30 June 2020	<u>911,526</u>	<u>–</u>	<u>911,526</u>

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Statement of Cash Flows Reporting Year Ended 30 June 2021

	<u>2021</u> \$	<u>2020</u> \$
<u>Cash flows from operating activities</u>		
Net income before tax	874,819	63,127
Depreciation of plant and equipment	22,392	16,282
Amortisation of right-of-use assets	145,398	141,142
COVID-19 related rent concessions	(11,871)	–
Interest expense	7,799	10,105
Interest income	(5,900)	(1,534)
Operating cash flows before changes in working capital	<u>1,032,637</u>	<u>229,122</u>
Trade and other receivables	15,960	378,187
Other assets	251	147,798
Trade and other payables	(23,683)	(126,383)
Other liabilities	(64,442)	(176,338)
Cash restricted in use (Note 16)	(5,000)	–
Net cash flows provided from operating activities	<u>955,723</u>	<u>452,386</u>
<u>Cash flows from investing activities</u>		
Purchase of plant and equipment	(11,022)	(76,593)
Interest income received	5,900	1,534
Net cash flows used in investing activities	<u>(5,122)</u>	<u>(75,059)</u>
<u>Cash flows from financing activities</u>		
Interest expense paid	(7,799)	(10,105)
Repayment of principal portion of lease liabilities	(130,355)	(138,543)
Net cash flows used in financing activities	<u>(138,154)</u>	<u>(148,648)</u>
Net increase in cash and cash equivalents	812,447	228,679
Cash and cash equivalents, beginning balance	<u>1,019,256</u>	<u>790,577</u>
Cash and cash equivalents, ending balance (Note 16A)	<u><u>1,831,703</u></u>	<u><u>1,019,256</u></u>

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Notes to the Financial Statements 30 June 2021

1. General

Securities Investors Association (Singapore) (the “association”) is registered in Singapore under the Societies Act, Chapter 311. 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 2021 to 5 August 2024. The financial statements are presented in Singapore Dollar.

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 of the association is located at: 7 Maxwell Road, #05-03, MND Building, Annexe B, Singapore 069111. The association is situated in Singapore.

The Covid-19 pandemic and its aftermath

Management has not identified any material uncertainties resulting from the Covid-19 pandemic and the aftermath of the pandemic surrounding the association’s business, and accordingly none is disclosed in this financial statement.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (“SFRS”) 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.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

1. General (cont'd)

Basis 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 association'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 in Note 2C below, 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 where the promise under the contract is for a specified services that meets the over time criteria and revenue is recognised at the amount that the entity has the right to recognise the service provided.
- (iii) **Membership fees**
Membership fees for activities held are recognised over the period when the services are rendered. Membership fees paid by sponsors for associate sponsored members are recognised over the period 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.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

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.

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. The presentation is in the functional currency.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

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.

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 17 on non-current provisions.

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
Renovations	–	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 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.

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.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as property, plant and equipment. The annual rates of amortisation are as follows:

Premise	-	Over the term of lease that is 33.3%
Equipment	-	Over the term of lease that is 20.0%

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2A. Significant accounting policies (cont'd)

Leases of lessee

Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum lease payments. A corresponding right-of-use asset is recorded in property, plant and equipment. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as an expense. Right-of-use assets are depreciated over the shorter of the estimated useful life of the asset and the lease term. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Leases of lessor

For a lessor each of lease is classified as either an operating lease or a finance lease. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Rental income from operating leases is recognised 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.

Carrying amounts of non-financial assets

The carrying amount of 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 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 and amortisation, if no impairment loss had been recognised.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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. 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. 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.

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.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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 and on demand deposits. For the statement of cash flows the item includes cash and cash equivalents less cash subject to restriction, if any.

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.

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.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

2B. Other explanatory information (cont'd)

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.

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 reporting year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the 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.

A related party includes the Management Committee and key management of the association. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

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.

3A. Related party transactions

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 are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Reimbursement of expenses to the Chief Executive Officer ("CEO")	<u>2,468</u>	<u>1,899</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

3B. Key management compensation

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and other short-term employee benefits	<u>323,650</u>	<u>353,650</u>

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Investors' Choice award ⁽¹⁾	–	298,650
Membership fees ⁽²⁾	459,051	2,765
Seminars and conferences	122,010	630,992
Shareholders' communication services	33,146	107,937
Sponsorship	365,400	442,092
Donations (Note 4A)	162,200	997,485
Other income	25	826
	<u>1,141,832</u>	<u>2,480,747</u>

Revenue is mainly from the rendering of services. About \$284,235 (2020: \$1,927,953) is recognised based on point in time and the balance is over time. The customers are commercial consumers, individuals and government agencies.

(1) The association did not organise the Investors' Choice Award ("ICA") Gala Dinner in the reporting year 2021 due to the COVID-19 pandemic. However, the association incurred research costs for the ICA scorecards amounting to \$48,500.

(2) The membership fees are income earned from individual paying members amounting to \$3,218 (2020: \$2,765) and corporates paying for associate sponsored members amounting to \$455,833 (2020: NIL).

4A. Donations

	<u>2021</u>	<u>2020</u>
	\$	\$
This item includes the following:		
Tax-deductible donations ⁽¹⁾	161,200	677,485
Non-tax-deductible donations ⁽²⁾	1,000	320,000
Total	<u>162,200</u>	<u>997,485</u>

(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 2022 under the Charities Act, Chapter 37.

(2) In the reporting year 2020, a donor who is an Institutions of a Public Character donated to the association and did not require a tax-deductible receipt.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

5. Interest income

	<u>2021</u>	<u>2020</u>
	\$	\$
Interest on fixed deposits	<u>5,900</u>	<u>1,534</u>

6. Other gains

	<u>2021</u>	<u>2020</u>
	\$	\$
Government grant – Monetary Authority of Singapore ^(a)	1,200,000	–
Government grant – Bicentennial Community Fund ^(b)	400,000	–
Government grant – Jobs Support Scheme ^(c)	152,990	90,588
Government grants – Others	102,391	96,732
Others	–	175
	<u>1,855,381</u>	<u>187,495</u>

(a) The funding received from the Monetary Authority of Singapore (“MAS”) is for SIAS Operating Activities, subject to terms and conditions set out in the Letter of Offer by MAS.

(b) This is a one-off grant from Bicentennial Community Fund to provide greater support to registered IPCs.

(c) The purpose of the Jobs Support Scheme is to provide wage support to employers to help them retain their local employees during this period of economic uncertainty amid Covid-19 for 17 months from April 2020 to August 2021. The income is recognised over the period where related salary costs are incurred.

7. Services consumed

	<u>2021</u>	<u>2020</u>
	\$	\$
Investors’ Choice award ⁽¹⁾	48,500	282,007
Seminars, courses and conferences	10,076	268,284
Investment conference	–	155,680
Website expenses	24,807	20,723
	<u>83,383</u>	<u>726,694</u>

(1) The association did not organise the Investors’ Choice Award (“ICA”) Gala Dinner in the financial year 2021 due to the COVID-19 pandemic. However, the association incurred research costs for the ICA scorecards amounting to \$48,500.

8. Employee benefits expense

	<u>2021</u>	<u>2020</u>
	\$	\$
Salaries and bonuses	1,370,026	1,219,914
Contributions to defined contribution plan	161,794	131,794
Other benefits	2,213	2,594
Total employee benefits expense	<u>1,534,033</u>	<u>1,354,302</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

9. Finance costs

	<u>2021</u>	<u>2020</u>
	\$	\$
Interest expense on lease liabilities	<u>7,799</u>	<u>10,105</u>

10. Other operating expenses

The major components and other selected components include the following:

	<u>2021</u>	<u>2020</u>
	\$	\$
Advertising and promotion	2,934	9,515
Investor education expenses	51,208	59,016
Research charges ^(a)	175,200	138,400
Overseas expenses ^(b)	<u>–</u>	<u>9,656</u>

(a) Included is \$175,200 (2020: \$138,400) of 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 AAR”).

Project AAR is partially funded by SGX and MAS. The total funding of \$204,700 (2020: \$146,275) was recorded under sponsorship revenue of \$162,900 (2020: \$111,675) and government grant of \$41,800 (2020: \$34,600).

(b) There is no overseas expense incurred in 2021. The overseas expenses incurred in 2020 comprise mainly expenses related to staff retreat in Malaysia amounting to \$7,305 and OECD-Asian Roundtable on Corporate Governance in India amounting to \$2,351.

11. 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.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

12. Plant and equipment

	<u>Plant and equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<u>Cost:</u>			
At 1 July 2019	72,056	135,851	207,907
Additions	33,399	43,194	76,593
Written off	(13,412)	(85,451)	(98,863)
At 30 June 2020	92,043	93,594	185,637
Additions	9,797	1,225	11,022
Written off	(5,083)	–	(5,083)
At 30 June 2021	96,757	94,819	191,576
<u>Accumulated depreciation:</u>			
At 1 July 2019	56,586	135,851	192,437
Depreciation for the year	12,683	3,599	16,282
Written off	(13,412)	(85,451)	(98,863)
At 30 June 2020	55,857	53,999	109,856
Depreciation for the year	13,406	8,986	22,392
Written off	(5,083)	–	(5,083)
At 30 June 2021	64,180	62,985	127,165
<u>Net book value:</u>			
At 1 July 2019	15,470	–	15,470
At 30 June 2020	36,186	39,595	75,781
At 30 June 2021	32,577	31,834	64,411

13. Right-of-use assets

	<u>Premise</u> \$	<u>Equipment</u> \$	<u>Total</u> \$
<u>Cost:</u>			
At 1 July 2019	141,158	–	141,158
Additions	408,777	39,453	448,230
At 30 June 2020 and 30 June 2021	549,935	39,453	589,388
<u>Accumulated amortisation:</u>			
At 1 July 2019	–	–	–
Amortisation for the year	137,024	4,118	141,142
At 30 June 2020	137,024	4,118	141,142
Amortisation for the year	137,637	7,761	145,398
At 30 June 2021	274,661	11,879	286,540
<u>Carrying value:</u>			
At 1 July 2019	141,158	–	141,158
At 30 June 2020	412,911	35,335	448,246
At 30 June 2021	275,274	27,574	302,848

The leases are for the office premise and equipment. The lease rental terms are negotiated for an average term of three to five years.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

14. Trade and other receivables

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Trade receivables:</u>		
Outside parties ^(a)	<u>124,450</u>	<u>112,881</u>
<u>Other receivables:</u>		
Government grant receivables ^(b)	76,400	91,264
Deposits	<u>38,340</u>	<u>51,005</u>
Sub-total	<u>114,740</u>	<u>142,269</u>
Total trade and other receivables	<u><u>239,190</u></u>	<u><u>255,150</u></u>

(a) Included in trade receivables is accrued receivables of \$75,000 (2020: \$111,675), of which \$50,000 (2020: \$111,675) has been recovered after the end of the financial year.

(b) Included in Government grant receivables is accrued receivables of \$76,400 (2020: \$34,600) from Monetary Authority of Singapore ("MAS") for SIAS Analysis of Annual Reports ("Project AAR").

The association has less than 25 clients which can be graded as low risk individually. Trade receivables shown above are subject to the expected credit loss model under the financial reporting standard on financial instruments. These trade receivables are considered to have low 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.

There are no collateral held as security and other credit enhancements for the trade receivables.

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 (2020: 30 days). But some clients take a longer period to settle the amounts.

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

	<u>2021</u>	<u>2020</u>
	\$	\$
Trade receivables:		
1 to 30 days	–	727
More than 60 days	<u>32,111</u>	<u>169</u>
Total ⁽¹⁾	<u><u>32,111</u></u>	<u><u>896</u></u>

(1) These amounts have been recovered after the end of the financial year.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

14. Trade and other receivables (cont'd)

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

	<u>2021</u> \$	<u>2020</u> \$
Top 1 client	50,000	111,675
Top 2 clients	82,100	146,275
Top 3 clients	<u>107,100</u>	<u>147,481</u>

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

Other receivables are regarded as of a low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligation in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

15. Other assets

	<u>2021</u> \$	<u>2020</u> \$
Prepayments	<u>10,190</u>	<u>10,441</u>

16. Cash and cash equivalents

	<u>2021</u> \$	<u>2020</u> \$
Not restricted in use	1,831,703	1,019,256
Restricted in use ^(a)	<u>5,000</u>	<u>–</u>
	<u>1,836,703</u>	<u>1,019,256</u>
Interest earning balances	<u>418,026</u>	<u>410,878</u>

The rate of interest for the cash on interest earning balances was between was 0.15% to 0.70% (2020: 0.15% to 1.89%) per annum.

^(a) This is the unutilised amount disbursed by Monetary Authority of Singapore (“MAS”) to the association which is placed in a non-interest earning account and its use is subject to the terms and conditions set out in the Letter of Offer by MAS.

16A. Cash and cash equivalents in the statement of cash flow

	<u>2021</u> \$	<u>2020</u> \$
Amount as shown above	1,836,703	1,019,256
Cash restricted in use	<u>(5,000)</u>	<u>–</u>
Cash and cash equivalents for statement of cash flows purpose at the end of the reporting year	<u>1,831,703</u>	<u>1,019,256</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

17. Other liabilities, non-current

	<u>2021</u>	<u>2020</u>
	\$	\$
Provision for restoration cost	<u>38,000</u>	<u>38,000</u>

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

18. Trade and other payables

	<u>2021</u>	<u>2020</u>
	\$	\$
Outside parties and accrued liabilities	<u>223,196</u>	<u>246,879</u>

19. Other liabilities, current

	<u>2021</u>	<u>2020</u>
	\$	\$
Deferred income (Note 19A)	85,004	91,775
Deferred government grant	<u>12,178</u>	<u>69,849</u>
Total	<u>97,182</u>	<u>161,624</u>

The deferred government grant relates to the estimated payout under the Jobs Support Scheme. The income is recognised over the period where related salary costs are incurred.

19A. Deferred income

	<u>2021</u>	<u>2020</u>
	\$	\$
Unutilised funds from:		
Sponsorship	–	52,500
Shareholder communication services	–	33,146
Associate sponsored membership	69,167	–
Others	<u>15,837</u>	<u>6,129</u>
Total deferred income	<u>85,004</u>	<u>91,775</u>

	<u>2021</u>	<u>2020</u>
	\$	\$
Movement in above balance:		
Balance at beginning of the year	91,775	337,962
Received / receivable during the year	721,199	718,053
Utilised during the year	<u>(727,970)</u>	<u>(964,240)</u>
Balance at end of the year	<u>85,004</u>	<u>91,775</u>

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

20. Lease liabilities

	<u>2021</u>	<u>2020</u>
	\$	\$
<u>Lease liabilities</u>		
Current	145,164	142,226
Non-current	<u>163,455</u>	<u>308,619</u>
	<u>308,619</u>	<u>450,845</u>

Movements in lease liabilities are as follows:

	<u>2021</u>	<u>2020</u>
	\$	\$
Balance at the beginning of the year	450,845	141,158
Additions	–	446,390
Accretion of interest	7,799	10,105
COVID-19 related rent concession	(11,871)	–
Lease payments – principal portion paid	(130,355)	(136,703)
Interest expense paid	<u>(7,799)</u>	<u>(10,105)</u>
Balance at the end of the year	<u>308,619</u>	<u>450,845</u>

The lease liability above does not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments which do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets. The right-of-use assets are disclosed in Note 13.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 2% to 3% (2020: 2% to 3%) per annum.

A summary of the maturity analysis of lease liabilities that shows the remaining contractual maturities is as follows:

	<u>Minimum payments</u>	<u>Finance charges</u>	<u>Present value</u>
<u>2021</u>	\$	\$	\$
Minimum lease payments payable:			
Not later than one year	150,014	(4,850)	145,164
Later than one year and not later than five years	<u>165,725</u>	<u>(2,270)</u>	<u>163,455</u>
Total	<u>315,739</u>	<u>(7,120)</u>	<u>308,619</u>
<u>2020</u>	<u>Minimum payments</u>	<u>Finance charges</u>	<u>Present value</u>
	\$	\$	\$
Minimum lease payments payable:			
Not later than one year	150,014	(7,788)	142,226
Later than one year and not later than five years	<u>315,739</u>	<u>(7,120)</u>	<u>308,619</u>
Total	<u>465,753</u>	<u>(14,908)</u>	<u>450,845</u>

Total cash outflows for leases are shown in the statement of cash flows.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

20. Lease liabilities (cont'd)

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above. At reporting year date there were no commitments on leases which had not yet commenced.

The total for lease liabilities and the average effective borrowing rate per year is disclosed above. The fair value (Level 2) is a reasonable approximation of the carrying amount.

21. Financial instruments: information on financial risks

21A. Categories of financial assets and financial liabilities

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

	<u>2021</u> \$	<u>2020</u> \$
<u>Financial assets:</u>		
At amortised cost	<u>2,075,893</u>	<u>1,274,406</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>531,815</u>	<u>697,724</u>

Further quantitative disclosures are included throughout these financial statements.

21B. 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.

There have been no changes to exposure to risk; objectives, policies and processes for managing the risk and the methods used to measure the risk.

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

21C. 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 both 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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

21D. 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 general approach (three-stage approach) in the financial reporting standard on financial instruments is applied to measure the impairment allowance. Under this general approach the financial assets move through the three stages as their credit quality changes. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. However, the simplified approach (that is, to measure the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life) permitted by the financial reporting standards on financial instruments is applied for financial assets that do not have a significant financing component, such as trade receivables. For credit risk on trade receivables and other financial assets 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.

21E. Liquidity risk – financial liabilities maturity analysis

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 (2020: 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.

The association monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the association's operations and to mitigate the effects of fluctuations in cash flows

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows):

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

21E. Liquidity risk – financial liabilities maturity analysis (cont'd)

Non-derivative financial liabilities:

	Less than <u>1 year</u> \$	<u>1 – 5 years</u> \$	<u>Total</u> \$
<u>2021</u>			
Gross lease liabilities	150,014	165,725	315,739
Trade and other payables	223,196	–	223,196
At end of the year	<u>373,210</u>	<u>165,725</u>	<u>538,935</u>
	Less than <u>1 year</u> \$	<u>1 – 5 years</u> \$	<u>Total</u> \$
<u>2020</u>			
Gross lease liabilities	150,014	315,739	465,753
Trade and other payables	246,879	–	246,879
At end of the year	<u>396,893</u>	<u>315,739</u>	<u>712,632</u>

22. Fund account transactions and balances

	General <u>Fund</u> \$ (i)	<u>2021</u> SIAS Operating <u>Activities Fund</u> \$ (ii)	<u>Total</u> \$	<u>2020</u> <u>Total</u> \$
Revenue	1,141,832	–	1,141,832	2,480,747
Interest income	5,900	–	5,900	1,534
Government grant	655,381	1,200,000	1,855,381	187,320
Other gains	–	–	–	175
	<u>1,803,113</u>	<u>1,200,000</u>	<u>3,003,113</u>	<u>2,669,776</u>
Items of expenditure				
Services consumed	(83,383)	–	(83,383)	(726,694)
Depreciation expense	(22,392)	–	(22,392)	(16,282)
Amortisation expense	(145,398)	–	(145,398)	(141,142)
Employee benefits expense	(349,033)	(1,185,000)	(1,534,033)	(1,354,302)
Finance costs	(7,799)	–	(7,799)	(10,105)
Other operating expenses	(325,289)	(10,000)	(335,289)	(358,124)
	<u>(933,294)</u>	<u>(1,195,000)</u>	<u>(2,128,294)</u>	<u>(2,606,649)</u>
Net income before tax	869,819	5,000	874,819	63,127
Income tax expense	–	–	–	–
Net income for the year	<u>869,819</u>	<u>5,000</u>	<u>874,819</u>	<u>63,127</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

22. Fund account transactions and balances (cont'd)

	Unrestricted Funds	2021 Restricted Fund SIAS Operating Activities Fund	Total	2020 Total
	General Fund	Activities Fund	Total	Total
	\$ (i)	\$ (ii)	\$	\$
Non-current assets				
Plant and equipment	64,411	–	64,411	75,781
Right-of-use assets	302,848	–	302,848	448,246
Current assets				
Trade and other receivables	239,190	–	239,190	255,150
Other assets	10,190	–	10,190	10,441
Cash and cash equivalents	1,831,703	5,000	1,836,703	1,019,256
Total assets	2,448,342	5,000	2,453,342	1,808,874
Non-current liabilities				
Lease liabilities	163,455	–	163,455	308,619
Other liabilities, non-current	38,000	–	38,000	38,000
Current liabilities				
Lease liabilities	145,164	–	145,164	142,226
Trade and other payables	223,196	–	223,196	246,879
Other liabilities, current	97,182	–	97,182	161,624
Total liabilities	666,997	–	666,997	897,348
Net assets	1,781,335	5,000	1,786,345	911,526

- (i) General Fund - this represents cumulative surpluses available for general use for the furtherance of the association's objectives.
- (ii) SIAS Operating Activities Fund - this fund is subject to the terms and conditions set out in the Letter of Offer by Monetary Authority of Singapore ("MAS"). This funding shall be used only in respect of the qualifying expenses for the direct benefit of the SIAS Operating Activities, whether incurred in Singapore or outside Singapore. Qualifying expenses refer to association's manpower costs and external auditor's fee incurred for the certification of qualifying expenses.

23. Reserve policy

The reserves of the association provide financial stability and the means for the development of the association's activities. The association has a target reserve ratio of one (1) and will strive to work towards this ratio by engaging in approved activities that are accretive to its bottom line. The Management Committee reviews the level of reserves regularly for the association's continuing obligations.

	2021 \$	2020 \$
Total funds	1,786,345	911,526
Ratio of reserves to total operating expenditure	<u>0.84</u>	<u>0.35</u>

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24. 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 association 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.

<u>SFRS No.</u>	<u>Title</u>
SFRS 1 and 8	Definiton of Material – Amendments to SFRS 1 and 8
SFRS PS 2 SFRS 39; 107 and 109	SFRS Practice Statement 2 Making Materiality Judgements Interest Rate Benchmark Reform – Amendments to SFRS 39;107 and 109
SFRS 116	The Conceptual Framework for Financial Reporting Covid-19 Related Rent Concessions - Amendment (effective from 1 June 2020)

25. 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 association 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 association's financial statements in the period of initial application.

<u>SFRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
SFRS 16	Property, Plant and Equipment: Proceeds before Intended Use – Amendments	1 Jan 2022
SFRS 109	Financial Instruments – Fees in the “10 per cent” test for derecognition of financial liabilities (Annual Improvement Project)	1 Jan 2022
Various	Annual Improvements to SFRSs 2019-2020	1 Jan 2022
SFRS 1	Classification of Liabilities as Current or Non-current – Amendments to SFRS 1	1 Jan 2023