

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

and its subsidiary company

PRESIDENT AND HON. TREASURERS' REPORT

For the financial year ended 30 June 2006

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

Registered Office : 138 Cecil Street #06-03 Cecil Court Singapore 069538

Banker : Malayan Banking Berhad

Auditors : PlanAssure PAC

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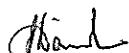
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

STATEMENT BY PRESIDENT AND HON. TREASURER
For the financial year ended 30 June 2006

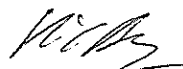
We, David Gerald Jeyasegaram and Ang Hao Yao, being the President and Honorary Treasurer of Securities Investors Association (Singapore), do hereby state that, in the opinion of the management committee,

- (i) the accompanying consolidated income and expenditure statement, consolidated balance sheet, statement of changes in accumulated surplus and consolidated cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Association and of the Group at 30 June 2006 and of the results of the activities, and changes in accumulated surplus and cash flow of the Association and of the Group for the financial year then ended, and
- (ii) at the date of this statement there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the management committee



Jeyasegaram David @
David Gerald Jeyasegaram
President



Ang Hao Yao
Honorary Treasurer

Singapore, 15 SEP 2006



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

We have audited the financial statements of Securities Investors Association (Singapore) as set out on pages 4 to 20 for the year ended 30 June 2006. These financial statements are the responsibility of the Association's management committee. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management committee, as well as evaluating the overall financial statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the consolidated financial statements of the Group and the financial statements of the Association are properly drawn up in accordance with the provisions of the Securities Investors Association (Singapore) Constitution (the "Constitution") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Association as at 30 June 2006 and of the results, changes in accumulated surplus and cash flows of the Group and of the Association for the year ended on that date; and
- (b) the accounting and other records required by the Constitution to be kept by the Association have been properly kept in accordance with the provisions of the Constitution.

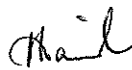
PlanAssurePAC
Certified Public Accountants

Singapore, 15 SEP 2006

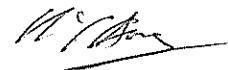
SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

CONSOLIDATED INCOME AND EXPENDITURE STATEMENT
For the financial year ended 30 June 2006

	Note	Group		Association	
		2006 \$	2005 \$	2006 \$	2005 \$
Revenue	3	791,892	689,915	242,408	256,876
Other income	4	568,267	602,830	467,648	477,830
Services consumed	5	(341,802)	(402,344)	(226,678)	(307,134)
Staff costs	6	(660,149)	(551,400)	(330,952)	(316,878)
Depreciation	9	(27,069)	(15,246)	(10,705)	(9,735)
Other expenditure		<u>(276,698)</u>	<u>(192,998)</u>	<u>(135,373)</u>	<u>(131,484)</u>
Operating surplus/(deficit)	7	54,441	130,757	6,348	(30,525)
Finance income	8	<u>5,802</u>	<u>3,285</u>	<u>5,802</u>	<u>3,285</u>
Surplus/(deficit) before taxation		60,243	134,042	12,150	(27,240)
Taxation	10	(2,058)	(39,427)	(296)	-
Surplus/(deficit) for the financial year		<u><u>58,185</u></u>	<u><u>94,615</u></u>	<u><u>11,854</u></u>	<u><u>(27,240)</u></u>



Jeyasegaram David @
David Gerald Jeyasegaram
President



Ang Hao Yao
Honorary Treasurer

Singapore, 15 SEP 2006

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)*and its subsidiary company***CONSOLIDATED BALANCE SHEET***As at 30 June 2006*

		Group		Association	
	Note	2006 \$	2005 \$	2006 \$	2005 \$
FIXED ASSETS	9	21,394	22,603	16,458	20,127
DEFERRED TAX ASSETS	10	-	-	-	-
INVESTMENT IN SUBSIDIARY	11	-	-	150,000	150,000
CURRENT ASSETS					
Trade debtors		102,250	82,000	-	-
Other debtors, deposits and prepayments	12	71,435	67,117	55,896	43,895
Fixed deposits	13	362,102	406,788	362,102	406,788
Cash and bank balances	13	234,717	132,613	129,502	68,141
		770,504	688,518	547,500	518,824
CURRENT LIABILITIES					
Other creditors and accruals	14	8,500	11,070	3,300	3,225
Deferred income	15	344,198	319,242	283,696	249,062
Amount due to subsidiary	11	-	-	-	20,000
Provision for taxation		1,762	1,556	-	1,556
		354,460	331,868	286,996	273,843
NET CURRENT ASSETS					
		416,044	356,650	260,504	244,981
		437,438	379,253	426,962	415,108
RESERVES					
Accumulated surplus of association		426,962	415,108	426,962	415,108
Accumulated surplus/(losses) of subsidiary		10,476	(35,855)	-	-
		437,438	379,253	426,962	415,108



Jeyasegaram David @
David Gerald Jeyasegaram
President



Ang Hao Yao
Honorary Treasurer


Singapore, 15 SEP 2006


SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the financial year ended 30 June 2006

Group	<u>Accumulated surplus</u>	<u>Accumulated surplus/</u>	<u>Total</u>
	<u>of Association</u>	<u>(losses) of subsidiary</u>	<u>surplus</u>
	\$	\$	\$
Balance as at 1 July 2005	415,108	(35,855)	379,253
Suplus for the financial year	11,854	46,331	58,185
Balance as at 30 June 2006	<u>426,962</u>	<u>10,476</u>	<u>437,438</u>
Balance as at 1 July 2004	442,348	(157,710)	284,638
(Deficit)/suplus for the financial year	(27,240)	121,855	94,615
Balance as at 30 June 2005	<u>415,108</u>	<u>(35,855)</u>	<u>379,253</u>

Association	<u>Accumulated surplus</u>	<u>Total</u>
	<u>of Association</u>	<u>surplus</u>
	\$	\$
Balance as at 1 July 2005	415,108	415,108
Surplus for the financial year	11,854	11,854
Balance as at 30 June 2006	<u>426,962</u>	<u>426,962</u>
Balance as at 1 July 2004	442,348	442,348
Deficit for the financial year	(27,240)	(27,240)
Balance as at 30 June 2005	<u>415,108</u>	<u>415,108</u>


Jeyasegaram David @
David Gerald Jeyasegaram
President


Ang Hao Yao
Honorary Treasurer


Singapore, 15 SEP 2006


SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2006

	Note	Group		Association	
		2006 \$	2005 \$	2006 \$	2005 \$
CASH FLOWS FROM OPERATING ACTIVITIES					
Surplus/(deficit) before taxation		60,243	134,042	12,150	(27,240)
Adjustments for:					
Depreciation	9	27,069	15,246	10,705	9,735
Interest income from fixed deposits		(5,802)	(3,285)	(5,802)	(3,285)
Loss on disposal of fixed assets		-	130	-	-
Surplus before working capital changes		<u>81,510</u>	<u>146,133</u>	<u>17,053</u>	<u>(20,790)</u>
<i>Movement in working capital:-</i>					
Trade debtors		(20,250)	(82,000)	-	-
Other debtors, deposits and prepayments		(4,318)	(39,362)	(12,001)	(27,057)
Other creditors and accruals		(2,570)	5,271	75	225
Deferred income		24,956	(141,399)	34,634	8,067
Amount owing to subsidiary		-	-	(20,000)	20,000
Cash generated from/(used in) operations		<u>79,328</u>	<u>(111,357)</u>	<u>19,761</u>	<u>(19,555)</u>
Interest income from fixed deposits		5,802	3,285	5,802	3,285
Taxation paid		(1,852)	-	(1,852)	-
Net cash generated from/(used in) operating activities		<u>83,278</u>	<u>(108,072)</u>	<u>23,711</u>	<u>(16,270)</u>
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of fixed assets		(25,860)	(18,483)	(7,036)	(18,085)
Sales proceeds from disposal of fixed assets		-	1,000	-	-
Net cash used in investing activities		<u>(25,860)</u>	<u>(17,483)</u>	<u>(7,036)</u>	<u>(18,085)</u>
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash generated from financing activities		-	-	-	-
Net increase in cash and cash equivalents		57,418	(125,555)	16,675	(34,355)
Cash and cash equivalents at beginning of year		539,401	664,956	474,929	509,284
Cash and cash equivalents at end of year	13	<u>596,819</u>	<u>539,401</u>	<u>491,604</u>	<u>474,929</u>


Jeyasegaram David @
David Gerald Jeyasegaram
President


Ang Hao Yao
Honorary Treasurer

Singapore, 15 SEP 2006

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

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

1. General

The Association was registered in Singapore on 16 June 1999. The address of the Association's registered office and its principal place of business is at 138 Cecil Street #06-03 Cecil Court Singapore 069538.

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

2. Significant accounting policies

(2.1) Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on a historical cost basis.

The accounting policies have been consistently applied by the Association and are consistent with those used in the previous financial year, except for relevant, new and revised FRS and Interpretations that are applicable in the current financial year which were adopted by the Association.

The comparative figures for the previous year have been adjusted or extended, where necessary, to take into account the impact of the Association's implementation of the relevant, new or revised FRS and Interpretations. However, none of these amendments has affected the results of the current or prior years.

The financial statements are presented in Singapore Dollars.

(2.2) Going concern

The financial statements of the Association and its subsidiary company have been prepared on a going concern basis.

(2.3) Basis of consolidation

Subsidiaries are entities over which the Association has the power to govern the financial and operating policies.

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

2. Significant accounting policies *(continued)*

(2.3) Basis of consolidation *(continued)*

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

Please refer to Note (2.6) for the Association's accounting policy on investments in subsidiary.

(2.4) Impairment of assets

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

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

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

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

(2.5) Property, plant and equipment

(a) Measurement

(i) *Plant and Equipment*

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses (Note 2.4).

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

2. Significant accounting policies (continued)

(2.5) Plant and equipment

(a) Measurement (continued)

(i) Component of costs

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

(b) Depreciation

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

	<u>Useful lives</u>
Office equipment	- 5 years
Furniture and fittings	- 3 – 5 years
Computers	- 1 – 3 years
Renovations	- 3 – 5 years

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

(c) Subsequent expenditure

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

(d) Disposal

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

(2.6) Investment in a subsidiary

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

2. Significant accounting policies (continued)

(2.7) Revenue recognition

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

(2.8) Receivables

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

(2.9) Payables

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

(2.10) Deferred taxation

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

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

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

2. Significant accounting policies *(continued)*

(2.11) Provisions

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

(2.12) Employee benefits

Defined contribution plans

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

Employee leave entitlement

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

(2.13) Leases

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

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

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

(2.14) Cash and cash equivalents

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

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

2. Significant accounting policies (continued)

(2.15) Financial instruments

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

(2.16) Accounting estimates

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

3. Revenue

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Activities income	175,674	217,808	175,674	217,808
Course fees	57,934	28,541	52,729	28,541
Contract research	379,950	62,000	-	-
Subscriptions	178,334	381,566	14,005	10,527
	<u>791,892</u>	<u>689,915</u>	<u>242,408</u>	<u>256,876</u>

4. Other income

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Donations	-	110	-	110
Sponsorships	528,161	596,004	428,161	471,004
Shareholders' communication services	39,327	-	39,327	-
Others	779	6,716	160	6,716
	<u>568,267</u>	<u>602,830</u>	<u>467,648</u>	<u>477,830</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

5. Services consumed

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Information service providers	76,968	77,322	-	-
Seminars and conferences	232,702	305,934	213,232	298,546
Web designing	32,132	19,088	13,446	8,588
	341,802	402,344	226,678	307,134

6. Staff costs

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Employer's CPF and related contributions	54,198	47,733	21,292	23,910
Medical fees	394	222	-	0
Salaries and related expenses	600,946	501,745	305,049	292,470
Staff welfare	4,611	1,700	4,611	498
	660,149	551,400	330,952	316,878

7. Operating surplus

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>This is arrived at after charging:-</i>				
Advertisements	10,756	8,381	10,441	7,304
Bad debts written off	-	460	-	460
Insurance	9,367	6,074	421	490
Loss on disposal of fixed assets	-	130	-	-
Office rentals	65,841	43,882	38,587	31,056
Printing and stationery	22,055	22,277	11,002	19,637
Rental of equipment	15,717	11,151	8,662	4,851
Telephone and faxes	17,616	18,924	14,520	18,924
Transportation expenses	21,181	20,691	18,970	20,000

8. Finance income

	Group and Association	
	2006	2005
	\$	\$
Interest on fixed deposits	5,802	3,285

Fixed deposits bear interest at 5% per annum (2005: 5% per annum) (refer to Note 13).

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

9. Fixed assets

Group

	Furniture & fittings \$	Office equipment \$	Renovation \$	Computers \$	Total \$
<u>Cost</u>					
Balance as at 1 July 2005	25,365	18,960	38,749	46,601	129,675
Additions	4,727	-	-	21,133	25,860
Balance as at 30 June 2006	30,092	18,960	38,749	67,734	155,535
<u>Accumulated depreciation</u>					
Balance as at 1 July 2005	23,261	15,800	29,885	38,126	107,072
Depreciation charge	1,804	975	2,850	21,440	27,069
Balance as at 30 June 2006	25,065	16,775	32,735	59,566	134,141
<u>Net book value</u>					
Balance as at 30 June 2006	5,027	2,185	6,014	8,168	21,394
Balance as at 30 June 2005	2,104	3,160	8,864	8,475	22,603
Depreciation - 2005	1,952	2,288	2,850	8,156	15,246

Association

	Furniture & fittings \$	Office equipment \$	Renovation \$	Computers \$	Total \$
<u>Cost</u>					
Balance as at 1 July 2005	22,191	18,960	37,749	33,311	112,211
Additions	-	-	-	7,036	7,036
Balance as at 30 June 2006	22,191	18,960	37,749	40,347	119,247
<u>Accumulated depreciation</u>					
Balance as at 1 July 2005	21,626	15,800	29,524	25,134	92,084
Depreciation charge	168	975	2,517	7,045	10,705
Balance as at 30 June 2006	21,794	16,775	32,041	32,179	102,789
<u>Net book value</u>					
Balance as at 30 June 2006	397	2,185	5,708	8,168	16,458
Balance as at 30 June 2005	565	3,160	8,225	8,177	20,127
Depreciation - 2005	97	2,288	2,517	4,833	9,735

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

10. Taxation

(a) Tax expense

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Based on the results for the year	1,762	-	-	-
Prior year's under provision	296	-	296	-
Charge of deferred taxation	-	39,427	-	-
	2,058	39,427	296	-

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

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Surplus/(deficit) before taxation	60,243	134,042	12,150	(27,240)
Tax calculated at statutory tax rate of 20% (2005: 20%)	12,049	26,808	2,430	(5,448)
Non deductible expenses	6,919	4,375	2,774	2,501
Non-taxable income	(6)	-	(6)	-
Utilisation of unrecognised deferred tax assets	(14,981)	(34,130)	(5,741)	-
Current year carry forward of unrecognised deferred tax assets	543	2,947	543	2,947
Statutory tax exemption	(2,762)	-	-	-
Charge of deferred taxation	-	39,427	-	-
Prior year's under provision	296	-	296	-
	2,058	39,427	296	-

(b) Movement in provision for taxation

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Balance at beginning of year	1,556	-	1,556	-
Income tax paid	(1,556)	-	(1,556)	-
Current financial year's tax expense on profit	1,762	1,556	-	1,556
Balance at end of year	1,762	1,556	-	1,556

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

10. Taxation (continued)

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>Movement in deferred tax assets are as follows:-</i>				
Balance at beginning of financial year	-	39,427	-	-
(Charge)/reversal in current year	-	(39,427)	-	-
Balance at end of financial year	-	-	-	-

The Group has estimated unutilised tax losses and unabsorbed capital allowances amounting to approximately S\$NIL (2005: \$46,373) and S\$2,715 (2005: \$26,606) respectively available for offsetting against future taxable income.

Unrecognised deferred tax asset arising from the unutilised tax losses and unabsorbed capital allowances amounting to approximately \$NIL (2005: \$9,275) and \$543 (2005: \$5,321) respectively has not been recognised in the accounts due to the uncertainty of their recoverability. The use of unutilised tax losses and unabsorbed capital allowances is subject to the relevant provisions of the tax legislation.

11. Investment in subsidiary

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

	Association	
	2006	2005
	\$	\$
Unquoted shares - at cost	150,000	150,000
Amount due to subsidiary	-	20,000

Details of the subsidiary are as follows:-

<u>Name of Company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	Percentage of equity held	
			2006	2005
			%	%
SIAS Research Pte Ltd *	Providing investment and financial advisory services	Singapore	100	100

Amount due to subsidiary is trade-in-nature, unsecured, interest free and has no fixed terms of repayment.

* Audited by PlanAssure PAC

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

12. Other debtors, deposits and prepayments

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Other debtors	28,000	21,000	28,000	21,000
Deposits	27,132	22,032	15,033	10,033
Prepayments	16,303	24,085	12,863	12,862
	<u>71,435</u>	<u>67,117</u>	<u>55,896</u>	<u>43,895</u>

13. Cash and cash equivalents

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Fixed deposits	362,102	406,788	362,102	406,788
Cash and bank balances	234,717	132,613	129,502	68,141
	<u>596,819</u>	<u>539,401</u>	<u>491,604</u>	<u>474,929</u>

Fixed deposits bear interest at 5% (2005: 5%) per annum (refer to Note 8).

14. Other creditors and accruals

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Other creditors	-	512	-	-
Accruals	8,500	10,558	3,300	3,225
	<u>8,500</u>	<u>11,070</u>	<u>3,300</u>	<u>3,225</u>

15. Deferred income

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
Subscriptions in advance	62,190	75,246	1,688	5,066
Unutilised funds from sponsorship	158,835	243,996	158,835	243,996
Unutilised funds from shareholder communication services	123,173	-	123,173	-
	<u>344,198</u>	<u>319,242</u>	<u>283,696</u>	<u>249,062</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

16. Operating lease commitments

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

	Group		Association	
	2006	2005	2006	2005
	\$	\$	\$	\$
<i>Lease of office premise:</i>				
Payable within 1 year	78,489	63,952	49,980	36,750
Payable after 1 year but within 5 years	77,836	43,134	75,460	12,250
	<u>156,325</u>	<u>107,086</u>	<u>125,440</u>	<u>49,000</u>
Rental expense for the financial year	<u>65,841</u>	<u>43,882</u>	<u>38,587</u>	<u>31,056</u>
<i>Lease of office equipment:</i>				
Payable within 1 year	11,151	11,151	4,851	4,851
Payable after 1 year but within 5 years	19,472	29,573	6,872	11,723
	<u>30,623</u>	<u>40,724</u>	<u>11,723</u>	<u>16,574</u>
Rental expense for the year	<u>15,716</u>	<u>11,151</u>	<u>8,662</u>	<u>4,851</u>

17. Significant related party transactions

Related party transactions between the Association and its subsidiary made in the ordinary course of its business and at arms length commercial terms are as follows:-

	Association	
	2006	2005
	\$	\$
<i>Subsidiary</i>		
Seminar fees	-	<u>20,000</u>

18. Financial instruments - risk management

Financial risk management objectives and policies

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

Interest rate risk

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

Surplus funds are placed with reputable banks.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2006

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

Liquidity risk

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

Credit risk

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

Fair values

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

19. Authorisation of financial statements

The Management Committee of Securities Investors Association (Singapore) authorised these financial statements for issue on 15 September 2006.

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**INCOME AND EXPENDITURE STATEMENT***For the financial year ended 30 June 2006*

	2006	2005
	\$	\$
REVENUE		
Subscriptions	14,005	10,527
Activities income	175,674	217,808
Course fees	52,729	28,541
	<u>242,408</u>	<u>256,876</u>
LESS : COST OF SERVICES		
Seminars, courses and conferences	213,232	298,546
Website expenses	13,446	8,588
	<u>226,678</u>	<u>307,134</u>
GROSS SURPLUS/(DEFICIT)	15,730	(50,258)
ADD : OTHER INCOME		
Donations	-	110
Interest income from fixed deposits	5,802	3,285
Sponsorships	428,161	471,004
Shareholder communication services	39,327	-
Others	160	6,716
	<u>473,450</u>	<u>481,115</u>
	489,180	430,857
LESS: EXPENSES (<i>APPENDIX I</i>)	(477,030)	(458,097)
SURPLUS/(DEFICIT) FOR THE FINANCIAL YEAR	<u>12,150</u>	<u>(27,240)</u>

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)**INCOME AND EXPENDITURE STATEMENT***For the financial year ended 30 June 2006**APPENDIX I*

	2006	2005
	\$	\$
EXPENDITURE		
Advertisements	10,441	7,304
Accounting, audit and tax fees	7,725	7,075
Administrative expenses	2,074	1,417
Bank charges	85	70
Bad debts written off	-	460
Depreciation	10,705	9,735
Donations	250	-
Dues and subscriptions	43	-
Employer's CPF and related contributions	22,020	23,910
Entertainment	4,880	4,902
General expenses	130	296
Gift and condolences	2,333	2,334
Insurance	421	490
Office rentals	38,587	31,056
Postage and couriers	1,959	1,111
Printing and stationery	11,002	19,637
Rental of equipment	8,662	4,851
Repairs and maintenance	6,401	6,768
Salaries and related expenses	304,321	292,470
Staff welfare	4,611	498
Subcontracting charges	5,043	1,191
Telephone and faxes	14,520	18,924
Transportation expenses	18,970	20,000
Travelling expenses	-	1,485
Utilities	1,847	2,113
	477,030	458,097