SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

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

FINANCIAL STATEMENTS

For the financial year ended 30 June 2008

PRESIDENT AND HONORARY TREASURERS' REPORT
For the financial year ended 30 June 2008

Management Committee	:	David Gerald Jeyasegaram	-	President
		Cheong Boon Leong Christopher	-	Vice President
		Robert Yeo	-	Honorary Treasurer
		Andrew Cheng	-	Honorary Secretary
		Ng Siew Quan	-	Asst. Honorary Treasurer
		Lee Khek Ern, Ken	-	Asst. Honorary Secretary
		Ang Hao Yao	-	Chairman, Membership
		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

Registered Office	:	75 Neil Road Singapore 088902
Banker	:	Malayan Banking Berhad
Auditors	:	PlanAssure PAC

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STATEMENT BY PRESIDENT AND HONORARY TREASURER

For the financial year ended 30 June 2008

We, David Gerald Jeyasegaram and Robert Yeo, 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 balance sheet, income and expenditure statement, statement of changes in accumulated surplus and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Association and of the Group at 30 June 2008 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

Robert Yeo
Honorary Treasurer

Singapore, 23 SEP 2008

PLANASSURE PAC Certified Public Accountants

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECURITIES INVESTORS ASSOCIATION (SINGAPORE)

Report on the financial statements

We have audited the accompanying financial statements of SECURITIES INVESTORS ASSOCIATION (SINGAPORE) (the "Association") and its subsidiary (the "Group"), which comprise the balance sheets of the Group and the Association as at 30 June 2008, and the income and expenditure statement, statement of changes in accumulated surplus and cash flow statement of the Group and the Association for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Association's management committee responsibility for the Financial Statements

The Association's Management Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Securities Investors Association (Singapore) Constitution (the "Constitution") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorized use or disposition; and transactions are properly authorised and they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
(b) selecting and applying appropriate accounting policies; and
(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion,

(a) the consolidated financial statements of the Group and the Association are properly drawn up in accordance with the provisions of 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 2008 and of the results, changes in accumulated surplus and cash flows of the Group and the Association for the financial year ended on that date; and

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

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SECURITIES INVESTORS ASSOCIATION (SINGAPORE) - *continued*

PlanAssure PAC
Certified Public Accountants

Singapore, 23 SEP 2008

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

BALANCE SHEET
As at 30 June 2008

	Note	Group 2008 $	Group 2007 $	Association 2008 $	Association 2007 $
ASSETS					
Non-current assets					
Plant and equipment	3	**22,227**	28,093	**18,111**	17,866
Investment in subsidiary	4	**-**	-	**150,000**	150,000
Total non-current assets		**22,227**	28,093	**168,111**	167,866
Current assets					
Trade receivables	5	**90,000**	129,250	**-**	-
Other receivables	6	**57,524**	63,413	**48,077**	47,161
Amount owing by subsidiary company	7	**-**	-	**100,000**	-
Fixed deposits	8	**376,223**	418,040	**376,223**	418,040
Cash and bank balances	8	**123,817**	168,335	**46,574**	100,426
Total current assets		**647,564**	779,038	**570,874**	565,627
Total assets		**669,791**	807,131	**738,985**	733,493
RESERVES AND LIABILITIES					
Reserves					
Accumulated surplus of association		**478,047**	466,549	**478,047**	466,549
Accumulated surplus/(deficit) of subsidiary		**(127,153)**	(7,778)	**-**	-
Total reserves		**350,894**	458,771	**478,047**	466,549
Current liabilities					
Trade payables	9	**8,587**	-	**-**	-
Other payables	10	**21,029**	8,034	**6,682**	2,800
Deferred income	11	**288,547**	329,883	**253,522**	255,463
Provision for taxation	12	**734**	10,443	**734**	8,681
Total current liabilities		**318,897**	348,360	**260,938**	266,944
Total liabilities		**318,897**	348,360	**260,938**	266,944
Total reserves and liabilities		**669,791**	807,131	**738,985**	733,493

Jeyasegaram David @
David Gerald Jeyasegaram
President

Robert Yeo
Honorary Treasurer

Singapore, 23 SEP 2008

The accompanying notes form an integral part of the financial statements
Independent Auditor's report – Page 3

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

INCOME AND EXPENDITURE STATEMENT
For the financial year ended 30 June 2008

	Note	Group		Association	
		2008	2007	**2008**	2007
		$	$	**$**	$
Revenue	13	**975,660**	1,186,981	**509,239**	556,923
Other income	14	**416,462**	462,609	**405,517**	415,506
Services consumed	15	**(395,600)**	(437,462)	**(292,426)**	(319,845)
Staff costs	16	**(763,431)**	(792,132)	**(432,586)**	(366,228)
Depreciation of plant and equipment	3	**(17,816)**	(22,264)	**(11,704)**	(12,233)
Other expenditure		**(338,048)**	(376,964)	**(181,438)**	(235,101)
Operating (deficits) /surplus	17	**(122,773)**	20,768	**(3,398)**	39,022
Finance income	18	**8,955**	9,246	**8,955**	9,246
(Deficit) /surplus before taxation		**(113,818)**	30,014	**5,557**	48,268
Taxation	12	**5,941**	(8,681)	**5,941**	(8,681)
(Deficit) /surplus for the financial year		**(107,877)**	21,333	**11,498**	39,587

Jeyasegaram David @
David Gerald Jeyasegaram
President

Robert Yeo
Honorary Treasurer

Singapore, 23 SEP 2008

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS
For the financial year ended 30 June 2008

	Accumulated surplus of Association	Accumulated surplus/ (deficit) of subsidiary	Total surplus
	$	$	$
Group			
Balance as at 1 July 2007	466,549	(7,778)	458,771
Surplus for the financial year	11,498	(119,375)	(107,877)
Balance as at 30 June 2008	478,047	(127,153)	350,894
Balance as at 1 July 2006	426,962	10,476	437,438
Suplus/(deficit) for the financial year	39,587	(18,254)	21,333
Balance as at 30 June 2007	466,549	(7,778)	458,771

	Accumulated surplus of Association	Total surplus
	$	$
Association		
Balance as at 1 July 2007	466,549	466,549
Surplus for the financial year	11,498	11,498
Balance as at 30 June 2008	478,047	478,047
Balance as at 1 July 2006	426,962	426,962
Surplus for the financial year	39,587	39,587
Balance as at 30 June 2007	466,549	466,549

Jeyasegaram David @
David Gerald Jeyasegaram
President

Robert Yeo
Honorary Treasurer

Singapore, 23 SEP 2008

SECURITIES INVESTORS ASSOCIATION (SINGAPORE)
and its subsidiary company

CONSOLIDATED CASH FLOW STATEMENT
For the financial year ended 30 June 2008

	Note	Group		Association	
		2008	2007	**2008**	2007
		$	$	**$**	$
CASH FLOWS FROM OPERATING ACTIVITIES					
(Deficit) /surplus before taxation		**(113,818)**	30,014	**5,557**	48,268
Adjustments for:-					
Depreciation of plant and equipment	3	**17,816**	22,264	**11,704**	12,233
Interest income		**(8,955)**	(9,246)	**(8,955)**	(9,246)
(Deficit) /surplus before working capital changes		**(104,957)**	43,032	**8,306**	51,255
Movements in working capital:-					
Trade receivables		**39,250**	(27,000)	**-**	-
Other receivables		**5,889**	8,020	**(915)**	8,735
Amount owing by subsidiary company		**-**	-	**(100,000)**	-
Trade payables		**8,587**	-	**-**	-
Other payables		**12,995**	(465)	**3,882**	(500)
Deferred income		**(41,336)**	(14,314)	**(1,941)**	(28,233)
Cash (used in) /generated from operations		**(79,572)**	9,273	**(90,668)**	31,257
Interest income		**8,955**	9,246	**8,955**	9,246
Tax paid		**(3,768)**	-	**(2,006)**	-
Net cash (used in) /generated from operating activities		**(74,385)**	18,519	**(83,719)**	40,503
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchases of plant and equipment		**(11,950)**	(28,963)	**(11,950)**	(13,641)
Net cash used in investing activities		**(11,950)**	(28,963)	**(11,950)**	(13,641)
CASH FLOWS FROM FINANCING ACTIVITIES					
Net cash generated from /(used in) financing activities		**-**	-	**-**	-
NET (DECREASE) /INCREASE IN CASH AND CASH EQUIVALENTS		**(86,335)**	(10,444)	**(95,669)**	26,862
CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR		**586,375**	596,819	**518,466**	491,604
CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR	8	**500,040**	586,375	**422,797**	518,466

Jeyasegaram David @
David Gerald Jeyasegaram
President

Robert Yeo
Honorary Treasurer

Singapore, 23 SEP 2008

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 75 Neil Road Singapore 088902.

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

(a) Basis of preparation

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

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

On 1 January 2007, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

Amendments to FRS 1	Presentation of Financial Statements – Capital Disclosures
FRS 107	Financial Instruments: Disclosures

The adoption of the above FRS or INT FRS did not result in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements.

(b) Going concern

The financial statements have been prepared on a going concern basis.

2. Significant accounting policies *(continued)*

(c) 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.

(d) Plant and equipment

(a) Measurement

(i) Plant and Equipment

Plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

(ii) Component of costs

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

(b) Depreciation

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

	Useful lives
Computers	3 years
Furniture and fittings	5 years
Office equipment	5 years
Renovation	5 years

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

(c) Subsequent expenditure

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

2. Significant accounting policies *(continued)*

(d) Plant and equipment *(continued)*

(d) Disposal

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

(e) 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.

(f) 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.

(g) Impairment of assets

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

2. Significant accounting policies *(continued)*

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

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

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

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

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

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

Please refer to *Note 2(i)* for the Association's accounting policy on investments in subsidiary.

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

2. Significant accounting policies *(continued)*

(j) 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.

(k) Payables

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

(l) 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.

(m) 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.

(n) Cash and cash equivalents

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

2. Significant accounting policies *(continued)*

(o) Investment in financial assets

(a) Classification

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

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

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

(ii) Loans and receivables

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

(iii) Held-to-maturity investments

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

(iv) Available-for-sale financial assets

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

(b) Recognition and derecognition

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

2. Significant accounting policies *(continued)*

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

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

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

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

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

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

2. Significant accounting policies *(continued)*

(p) 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.

(q) 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. Plant and equipment

Group

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 July 2007	73,004	41,466	19,933	50,095	184,498
Additions	4,160	-	-	7,790	11,950
Written off	-	-	-	(1,000)	(1,000)
Balance as at 30 June 2008	77,164	41,466	19,933	56,885	195,448
Accumulated depreciation					
Balance as at 1 July 2007	69,129	31,622	17,827	37,827	156,405
Depreciation for the financial year	4,497	5,920	1,052	6,347	17,816
Written off	-	-	-	(1,000)	(1,000)
Balance as at 30 June 2008	73,626	37,542	18,879	43,174	173,221
Carrying value					
Balance as at 30 June 2008	3,538	3,924	1,054	13,711	22,227
Balance as at 30 June 2007	3,875	9,844	2,106	12,268	28,093
Depreciation for 2007	9,563	6,557	1,052	5,092	22,264

3. Plant and equipment *(continued)*

Association

	Computers	Furniture & fittings	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 July 2007	42,642	22,191	18,960	49,095	132,888
Additions	4,160	-	-	7,790	11,950
Balance as at 30 June 2008	46,802	22,191	18,960	56,885	144,838
Accumulated depreciation					
Balance as at 1 July 2007	38,766	21,926	17,503	36,827	115,022
Depreciation for the financial year	4,497	132	728	6,347	11,704
Balance as at 30 June 2008	43,263	22,058	18,231	43,174	126,726
Carrying value					
Balance as at 30 June 2008	3,539	133	729	13,711	18,111
Balance as at 30 June 2007	3,876	265	1,457	12,268	17,866
Depreciation for 2007	6,587	132	728	4,786	12,233

4. 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 2008	Association 2007
	$	$
Unquoted shares, at cost	**150,000**	150,000

Details of the subsidiary as at 30 June 2008 are as follows:-

Name of Company	Principal activities	Country of incorporation	Percentage of equity held 2008	Percentage of equity held 2007	Cost of investment 2008	Cost of investment 2007
			%	%	$	$
SIAS Research Pte Ltd *	Providing investment and financial advisory services	Singapore	**100**	100	**150,000**	150,000

* *Audited by PlanAssure PAC*

5. Trade receivables

Trade receivables are denominated in Singapore Dollar.

6. Other receivables

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Other receivables	**3,344**	20,000	**3,344**	20,000
Deposits	**28,668**	17,655	**23,676**	4,975
Prepayments	**25,512**	25,758	**21,057**	22,186
	57,524	63,413	**48,077**	47,161

Other receivables are denominated in Singapore Dollar.

7. Amount owing by subsidiary company

Amount owing by subsidiary is non-trade in nature, unsecured, interest free, and has no fixed term of repayment.

Amount owing by subsidiary is denominated in Singapore Dollar.

8. Cash and cash equivalents

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Fixed deposits	**376,223**	418,040	**376,223**	418,040
Bank balances	**122,822**	167,894	**46,025**	100,202
Cash balances	**995**	441	**549**	224
	500,040	586,375	**422,797**	518,466

Fixed deposits earn interest at 0.813% to 2.750% (2007: 0.375% to 2.750%) per annum *(refer to Note 18)*.

Cash and cash equivalents are denominated in Singapore Dollar.

9. Trade payables

Trade payables are denominated in Singapore Dollar.

10. Other payables

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Accruals	**11,029**	8,034	**6,682**	2,800
Other payables	**10,000**	-	**-**	-
	21,029	8,034	**6,682**	2,800

Other payables are denominated in Singapore Dollar.

11. Deferred income

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Subscriptions in advance	**35,025**	76,109	**-**	1,688
Unutilised funds from sponsorship	**183,332**	158,329	**183,332**	158,329
Unutilised funds from shareholder Communication services	**70,190**	95,445	**70,190**	95,446
	288,547	329,883	**253,522**	255,463

12. Taxation

(a) Tax expense

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Current year income tax	**734**	8,681	**734**	8,681
Over-provision in prior years	**(6,675)**	-	**(6,675)**	-
	5,941	8,681	**5,941**	8,681

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 18% (2007: 18%) to (deficits) /surplus before income tax as a result of the following differences:-

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
(Deficits) /surplus before taxation	**(113,818)**	30,014	**5,557**	48,268
Income tax expense at statutory rate	**(20,487)**	5,037	**1,000**	8,688
Non deductible expenses	**6,055**	5,400	**2,719**	2,675
Capital allowance utilised	**(1,351)**	(2,682)	**(1,351)**	(2,682)
Unutilised capital allowance brought forward	**18,151**	926	**-**	-
Singapore statutory stepped income exemption	**(1,634)**	-	**(1,634)**	-
Over-provision in prior years	**(6,675)**	-	**(6,675)**	-
	5,941	8,681	**5,941**	8,681

12. Taxation *(continued)*

(b) Provision for taxation

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Balance at beginning of the financial year	**10,443**	1,762	**8,681**	-
Less: Income tax paid	**(3,768)**	-	**(2,006)**	-
Over-provision in prior years	**(6,675)**	-	**(6,675)**	-
	-	1,762	**-**	-
Add: Current year income tax	**734**	8,681	**734**	8,681
Balance at end of the financial year	**734**	10,443	**734**	8,681

13. Revenue

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Course fees	**54,633**	17,230	**54,633**	17,230
Contract research	**278,750**	503,696	**-**	-
Subscriptions	**119,697**	108,972	**9,216**	11,192
Investors' Choice Award	**210,134**	196,605	**210,134**	196,605
Seminars and conferences	**92,190**	112,251	**15,000**	83,669
Shareholders' communication services	**220,256**	248,227	**220,256**	248,227
	975,660	1,186,981	**509,239**	556,923

14. Other income

	Group		Association	
	2007	2006	**2008**	2007
	$	$	**$**	$
Service providers	**10,188**	-	**-**	-
Sponsorships	**405,497**	461,270	**405,497**	415,506
Others	**777**	1,339	**20**	-
	416,462	462,609	**405,517**	415,506

15. Services consumed

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Course fees	**60,717**	13,664	**60,717**	13,664
Investors' Choice Award	**152,459**	177,827	**152,459**	177,827
Information service providers	**63,687**	61,174	**-**	-
Seminars, courses and conferences	**43,337**	92,915	**3,850**	35,976
Shareholder Communication Services	**50,500**	70,078	**50,500**	70,078
Website expenses	**24,900**	22,300	**24,900**	22,300
	395,600	437,492	**292,426**	319,845

16. Staff costs

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
Central Provident Fund contribution	**71,338**	66,028	**33,466**	23,227
Medical fees	**940**	3,847	**-**	2,759
Salaries and related expenses	**691,153**	721,929	**399,120**	339,914
Staff welfare	**-**	328	**-**	328
	763,431	792,132	**432,586**	366,228

17. Operating (deficits) /surplus

	Group		Association	
	2008	2007	**2008**	2007
	$	$	**$**	$
This is arrived at after charging:-				
Advertisement	**5,119**	71,267	**17,175**	64,715
Transportation expenses	**22,836**	22,011	**19,735**	18,910

18. Finance income

	Group and Association	
	2008	2007
	$	$
Interest on fixed deposits	**8,955**	9,246

Fixed deposits earn interest at 0.813% to 2.750% (2007: 0.375% to 2.750%) per annum *(refer to Note 8)*.

19. Related party transactions

Related parties in the financial statements refer to related companies. Related companies are companies in which certain directors and shareholders of the Association are also directors and shareholders of these companies.

Significant related party transactions between the Association and its related parties made in the ordinary course of its business and at arm's length commercial terms are as follows:

	2008	2007
	$	$
SIAS Research Pte Ltd		
Information services provider	**10,000**	10,000

20. 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	
	2008	2007	**2008**	2007
	$	$	**$**	$
Lease of office premise:				
Payable within 1 year	**113,465**	92,956	**113,465**	56,595
Payable after 1 year but within 5 years	**111,800**	76,605	**111,800**	75,460
	225,265	169,561	**225,265**	132,055
Rental expense for the financial year	**101,428**	85,825	**69,381**	53,949
Lease of office equipment:				
Payable within 1 year	**19,686**	16,200	**9,900**	9,900
Payable after 1 year but within 5 years	**10,725**	29,586	**10,725**	19,800
	30,411	45,786	**20,625**	29,700
Rental expense for the financial year	**17,312**	18,182	**10,592**	11,261

20. 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.

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

Surplus funds are placed with reputable banks.

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

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

21. Authorisation of financial statements

The Management Committee of Securities Investors Association (Singapore) authorised these financial statements for issue on 23 SEP 2008

INCOME AND EXPENDITURE STATEMENT

For the financial year ended 30 June 2008

	2008 $	2007 $
REVENUE		
Course fees	**54,633**	17,230
Investors' Choice Award	**210,134**	196,605
Seminars and conferences	**15,000**	83,669
Shareholder communication services	**220,256**	248,227
Subscriptions	**9,216**	11,192
	509,239	556,923
LESS : COST OF SERVICES		
Course fees	**60,717**	13,664
Investors' Choice Award	**152,459**	177,827
Seminars and conferences	**3,850**	35,976
Shareholder communication services	**50,500**	70,078
Website expenses	**24,900**	22,300
	292,426	319,845
GROSS SURPLUS	**216,813**	237,078
OTHER INCOME		
Sponsorships	**405,497**	415,506
Interest income	**8,955**	9,246
Others	**20**	-
	631,285	661,830
LESS: EXPENDITURE *(APPENDIX I)*	**625,728**	613,562
SURPLUS FOR THE FINANCIAL YEAR	**5,557**	48,268

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

INCOME AND EXPENDITURE STATEMENT

For the financial year ended 30 June 2008 *APPENDIX I*

	2008	2007
	$	$
EXPENDITURE		
Accounting, audit and tax fees	9,100	8,800
Administrative expenses	2,555	2,405
Advertisement	17,175	64,715
Bank charges	40	160
Bank interest	20	20
Casual labour	3,363	11,551
Central Provident Fund contribution	33,466	23,641
Communication charting service	-	9,750
Depreciation of plant and equipment	11,704	12,233
Entertainment	9,691	8,460
General expenses	1,848	1,194
Gift and condolences	3,318	4,091
Insurance	2,888	1,125
Medical fees	-	2,759
Membership fee	250	250
Newspaper and Magazines	-	86
Postage and couriers	2,262	8,063
Printing and stationery	13,639	14,287
Rental of office equipment	10,592	11,261
Rental of office premises	69,381	53,949
Repairs and maintenance	3,528	2,944
Salaries and related expenses	399,120	339,500
Staff welfare	-	328
Telephone and faxes	9,142	10,425
Transportation expenses	19,735	18,910
Utilities	2,911	2,655
	625,728	613,562

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