

SINGAPORE ACTUARIAL SOCIETY
(UEN No.: S76SS0051K)
(Registered under the Registry of Societies)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

FINANCIAL STATEMENTS

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SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

GENERAL INFORMATION

COUNCIL

Matthew John Maguire - President
Weber Federic Patrick Christophe - Vice President
Raymond Cheung Wai Man - Honorary Secretary
Francis Robert Devlin - Honorary Treasurer
Seah Sin Toong - Council Member
Esther Huang Chu Xin - Council Member
Zhou Yi - Council Member
Lim Siang Thnia - Council Member
Danny Louis Quant - Council Member
Chua See Ju - Council Member
Hitesh Shah - Council Member
Jill Kimberly Hoffman - Ex-officio

REGISTERED OFFICE

163 Tras Street
#07-04 Lian Huat Building
Singapore 079024

PRINCIPAL PLACE OF BUSINESS

163 Tras Street
#07-04 Lian Huat Building
Singapore 079024

AUDITORS

A Garanzia LLP

BANKER

DBS Bank Limited

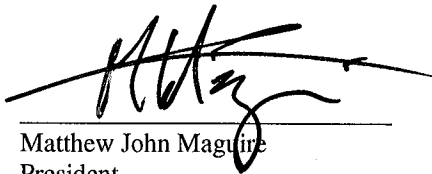

SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

STATEMENT BY EXECUTIVE COUNCIL

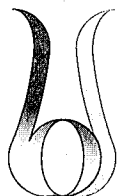
We, Matthew John Maguire and Francis Robert Devlin, on behalf of the Executive Council of the Singapore Actuarial Society (the "Organisation"), do hereby state that in our opinion, the accompanying statement of profit or loss and other comprehensive income, statement of financial position, statement of changes in accumulated fund and statement of cash flows together with the notes thereto, are drawn up so as to give a true and fair view of the financial position of the Organisation as at 31 December 2018 and the financial performance of the Organisation, changes in accumulated fund and cash flows of the Organisation for the financial year ended on that date.

At the date of this statement, there are reasonable grounds to believe that the Organisation will be able to pay its debts as and when they incur and the accounting and other records required by the Act to be kept have been properly kept in accordance with the provisions of the Act.

On behalf of the Executive Council of the Singapore Actuarial Society


Matthew John Maguire
President
Francis Robert Devlin
Honorary Treasurer

Singapore, 14 MAR 2019



**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Actuarial Society (the "Organisation"), which comprise the statement of financial position as at 31 December 2018, the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Societies Act (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Organisation as at 31 December 2018 and the financial performance, changes in equity and cash flows of the Organisation for the financial 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 Organisation 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 detailed in the Statement by Executive Council.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information 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 material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)
(CONT'D)**

Responsibilities of Management and Council members 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 FRSSs, 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 Organisation'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 Organisation or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Organisation'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.

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

- 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.
- 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 Organisation's internal control.

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE SINGAPORE ACTUARIAL SOCIETY
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(CONT'D)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 Organisation'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 Organisation to cease to continue as a going concern.
- 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 directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Organisation have been properly kept in accordance with the provisions of the Act.

A Garanzia LLP

A Garanzia LLP
Public Accountants and
Chartered Accountants
Singapore

14 MAR 2019

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SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	<u>Note</u>	<u>2018</u> S\$	Reclassified <u>2017</u> S\$
INCOME			
Members' annual and admission fees			
- Current year	(3)	144,557	126,445
Conference and events	(4)	62,573	38,922
Other income	(5)	142,525	70,503
		349,655	235,870
Less: EXPENDITURE			
Audit fee		4,148	3,600
Bank charges		57	37
Council and committees' refreshments		10,996	11,528
Depreciation of plant and equipment	(9)	7,143	9,571
IAA membership fees		7,870	8,382
Insurance		9,641	6,555
Office rent	(7)	39,290	26,194
Office maintenance		1,440	1,355
Penalty		(8,151)	10,897
Postage, printing and stationery		1,655	3,301
Professional fee		43	12,293
Staff costs	(6)	166,301	151,545
Sponsorship		5,000	5,000
Tax fee		7,517	2,680
Travel		4,268	-
Transport		215	700
Utilities / telephone and internet		4,288	3,394
Website maintenance		15,168	5,641
Withholding tax		(138)	-
		276,751	262,673
Surplus / (deficit) before tax from operating activities	(7)	72,904	(26,803)
Income tax refunded	(8)	2,899	-
Surplus / (deficit) for the financial year, representing the total comprehensive income / (loss) for the financial year		75,803	(26,803)

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

SINGAPORE ACTUARIAL SOCIETY
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	<u>Note</u>	<u>2018</u> S\$	<u>2017</u> S\$
Represented by:			
ACCUMULATED FUND		559,135	483,332
NON-CURRENT ASSET			
Plant and equipment	(9)	8,771	13,168
CURRENT ASSETS			
Other receivable	(10)	11,084	45
Other current assets	(11)	19,314	16,933
Fixed deposit	(12)	261,417	260,899
Cash and cash equivalents	(13)	378,162	348,963
		669,977	626,840
LESS: CURRENT LIABILITIES			
Other payables	(14)	15,581	76,945
Deferred income	(15)	104,032	79,731
		119,613	156,676
NET CURRENT ASSETS		550,364	470,164
		559,135	483,332

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

SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

	Accumulated <u>fund</u> S\$
Balance at 1 January 2017	510,135
Total comprehensive loss for the financial year	(26,803)
Balance at 31 December 2017	<u>483,332</u>
Total comprehensive income for the financial year	75,803
Balance at 31 December 2018	<u><u>559,135</u></u>

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

SINGAPORE ACTUARIAL SOCIETY
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STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	<u>2018</u> S\$	<u>2017</u> S\$
Cash flows from operating activities		
Surplus / (deficit) before income tax from operating activities	72,904	(26,803)
Adjustments for:		
Depreciation of plant and equipment	7,143	9,571
Interest income	(518)	(1,421)
Operating surplus / (deficit) before working capital changes	79,529	(18,653)
(Increase) / decrease in other receivable	(8,140)	16,640
Increase in other current asset	(2,381)	(11,563)
(Decrease) / increase in other payables	(61,364)	10,534
Increase in deferred income	24,301	14,777
Cash generated from operations	31,945	11,735
Income tax paid	-	-
Net cash from operating activities	<u>31,945</u>	<u>11,735</u>
Cash flows from investing activities		
Purchase of plant and equipment	(2,746)	(16,744)
Cash used in investing activities	<u>(2,746)</u>	<u>(16,744)</u>
Net increase / (decrease) in cash and cash equivalents	29,199	(5,009)
Cash and cash equivalents at beginning of the financial year	348,963	353,972
Cash and cash equivalents at end of the financial year (Note 13)	<u><u>378,162</u></u>	<u><u>348,963</u></u>

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

SINGAPORE ACTUARIAL SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

1. GENERAL INFORMATION AND ACTIVITIES

The Organisation is registered in the Republic of Singapore under the Singapore Societies Act and domiciled in Singapore.

The objectives of the Organisation are:

- ❖ to uphold the highest professional standards among members;
- ❖ to serve the public's interest in matters we are uniquely qualified to respond on;
- ❖ to promote the study, discussion, publication and research into the application of economic, financial and statistical principles to practical problems, the actuarial, economic and allied aspects of life assurance, non-life insurance, employee retirement benefits, finance and investment, risk management and other fields where such principles can be applied with particular reference to Singapore and the ASEAN region;
- ❖ to assist students in the course of their actuarial studies;
- ❖ to further the professional development of actuaries; and
- ❖ to foster and encourage social relationship among the members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

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

The financial statements, which are presented in Singapore Dollar (S\$), have been prepared on historical cost basis except as disclosed in the accounting policies below.

The accounting policies have been consistently applied by the Organisation and are consistent with those used in the previous financial year.

The preparation of financial statements in conformity with FRS requires the use of 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 profit or loss during the financial year. Although these estimates are based on the Organisation's best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in the accounting policies below.

In the current financial year, the Organisation has adopted all the new and revised FRS and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

The Organisation has not applied the following new / revised FRS or interpretations that have been issued as of the reporting date but are not yet effective:

<u>Descriptions</u>	<u>Effective for annual periods beginning on or after</u>
FRS 116: Leases	1 January 2019
FRS 109: Amendments to FRS 109: Prepayment Features with Negative Compensation	1 January 2019
FRS 28: Amendments to FRS 28: Long-term Interests in Associates and Joint Ventures	1 January 2019
FRS 19: Amendments to FRS 19: Plan Amendment, Curtailment or Settlement	1 January 2019
FRS 117: Insurance Contracts	1 January 2021

The management expects that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

Except for FRS 116, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases

FRS 116 requires lessees to recognise most leases on the statement of financial position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. FRS 116 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make lease payments (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Organisation plans to adopt FRS 116 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(a) Basis of preparation (cont'd)

FRS 116 Leases (cont'd)

On the adoption of FRS 116, the Organisation expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

- (i) its carrying amount as if FRS 116 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019; or
- (ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 January 2019.

In addition, the Organisation plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply FRS 116 to all contracts that were previously identified as leases;
- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019; and
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics.

The Organisation has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Organisation adopts FRS 116 in 2019.

(b) Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Organisation has adopted all the new and amended standards which are relevant to the Organisation and are effective for annual financial periods beginning on or after 1 January 2018. Except for the adoption of FRS 109 *Financial Instruments* and FRS 115 *Revenue from Contracts with Customers* described below, the adoption of these standards did not have any material effect on the financial performance or position of the Organisation.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of new and amended standards and interpretations (cont'd)

FRS 109 Financial Instruments

FRS 109 replaces FRS 39 Financial Instruments. Recognition and Measurement for annual periods beginning on or after 1 January 2018, bringing together all three aspects of the accounting for financial instruments: classification and measurement; impairment; and hedge accounting.

The Organisation applied FRS 109 retrospectively, with an initial application date of 1 January 2018. The Organisation has not restated comparative information which continues to be reported under FRS 39 and the disclosure requirements of FRS 107 Financial Instruments: Disclosures relating to items within the scope of FRS 39. The impact arising from FRS 109 adoption was included in the opening retained earnings and other components of equity at the date of initial application.

The adoption of FRS 109 has fundamentally changed the Organisation's accounting for impairment losses for financial assets by replacing FRS 39's incurred loss approach with a forward-looking expected credit loss (ECL) approach. FRS 109 requires the Organisation to recognise an allowance for ECLs for all debt instruments not held at FVPL.

Upon adoption of FRS 109, the Organisation recognised additional impairment of S\$Nil on the Organisation's trade receivables, resulting in a decrease in retained earnings of S\$Nil as at 1 January 2018.

Set out below is the reconciliation of the ending impairment allowances in accordance with FRS 39 to the opening loss allowances determined in accordance with FRS 109:

	Allowance for impairment under FRS 39 as at 31 December 2017 S\$	Remeasurement	ECL under FRS 109 as at 1 January 2018 S\$
Loans and receivables under FRS 39 / Financial assets at amortised cost under FRS 109	-	-	-

SINGAPORE ACTUARIAL SOCIETY
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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Adoption of new and amended standards and interpretations (cont'd)

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction Contracts, FRS 18 Revenue and related interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. FRS 115 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflect the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

FRS 115 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires extensive disclosures.

The Organisation adopted FRS 115 using the modified retrospective method of adoption with the date of initial application of 1 January 2018. Under this method, the standard can be applied either to all contracts at the date of initial application or only to contracts that are not completed at this date. The Organisation elected to apply the standard to all contracts as at 1 January 2018.

There is no cumulative effect of initially applying FRS 115 recognised at the date of initial application as no adjustment to the opening balance of retained earnings. Therefore, the comparative information was not restated and continues to be reported under FRS 11, FRS 18 and related interpretations.

(c) Functional and foreign currencies

(i) Functional currency

Items included in the financial statements are measured using the currency best reflects the economic substance of the underlying events and circumstances relevant to the Organisation (the “functional currency”). The financial statements are presented in Singapore Dollar (S\$), which is the functional currency of the Organisation.

(ii) Foreign currency transactions and balances

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated into the functional currency at the rates ruling at that date.

All exchange differences are taken to the profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) *Income recognition*

All income resources are included in the profit or loss to the extent that it is probable that the economic benefits associated with the transaction will flow to the Organisation and the amount income and related expenditure can be reliably measured.

The Organisation's sources of income are subscriptions, job advertisements, sponsorship and conferences.

Subscriptions on membership are taken into account as and when received.

Income from job advertisements is taken into account as and when received.

Income from sponsorship and registration fees for conferences is recognised in profit or loss upon receipt.

(e) *Employee benefits*

Employment pension benefits

The Organisation participates in the national pension scheme by making contributions to the Central Provident Fund. The contributions to CPF are recognised as an expense in the period in which the related service is performed.

Employee leave entitlement

Employee entitlement to annual leave is recognised when they accrue to employees. The estimated liability for leave is recognised for services rendered by employees up to the reporting date.

The Organisation has not made any provision for employee leave entitlement as the amounts are insignificant.

(f) *Income tax*

(a) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Income tax (cont'd)

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(g) Plant and equipment

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

Cost includes expenditure that is directly attributable to the acquisition of the asset and costs of bringing the asset to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of asset if the obligation for dismantlement, removal or restoration costs is incurred as a consequence of acquiring or using the asset. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. The cost of replacing part of an item of plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Organisation and its cost can be measured reliably. The costs of the day-to-day servicing of plant and equipment are recognised in the profit or loss as incurred.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

Depreciation of plant and equipment is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Computer	1 year
Furniture and fittings	3 years
Renovation	3 years

Fully depreciated plant and equipment are retained in the financial statements until they are no longer useable.

Depreciation methods, useful lives and residual values are reviewed, and adjusted prospectively as appropriate, at each financial year end.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) Financial instruments

(i) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Organisation measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Organisation expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Organisation's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Organisation only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Investments in equity instruments

On initial recognition of an investment in equity instrument that is not held for trading, the Organisation may irrevocably elect to present subsequent changes in fair value in other comprehensive income which will not be reclassified subsequently to profit or loss. Dividends from such investments are to be recognised in profit or loss when the Organisation's right to receive payments is established. For investments in equity instruments which the Organisation has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) *Financial instruments (cont'd)*

(i) Financial assets (cont'd)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Organisation becomes a party to the contractual provisions of the financial instrument. The Organisation determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(i) *Impairment of financial assets*

The Organisation recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Organisation expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(i) Impairment of financial assets (cont'd)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Organisation applies a simplified approach in calculating ECLs. Therefore, the Organisation does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Organisation has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Organisation considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Organisation may also consider a financial asset to be in default when internal or external information indicates that the Organisation is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Organisation. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(j) Impairment of non-financial assets

The carrying amounts of the Organisation's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. 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 or cash-generating unit.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in estimates used to determine the recoverable amount. 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 determined, net of depreciation, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Provisions

Provisions are recognised when the Organisation has a present obligation (legal or constructive), as a result of a past event, and it is probable that an outflow of resources economic benefits and will be required to settle the obligation and a reliable estimate can be established on the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

(l) Cash and cash equivalents

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash at bank, which are subject to an insignificant risk of change in value.

(m) Funds accounting

Accumulated funds are unrestricted funds that can be used in accordance with the Constitution of the Organisation.

3. MEMBERS' ANNUAL AND ADMISSION FEES

	<u>2018</u> S\$	<u>2017</u> S\$
Members annual fees		
- Current year	138,287	121,355
Members admission fee	6,270	5,090
	<u>144,557</u>	<u>126,445</u>

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4. CONFERENCE AND EVENTS

	<u>2018</u>	Reclassified <u>2017</u>
	S\$	S\$
<u>Income</u>		
AGM and dinner	229	862
Career fair	5,250	3,000
Enterprise risk management conference	6,800	-
Forums	2,314	2,680
General insurance conference	39,899	50,293
Health and retirement conference	82,001	76,101
International committee training event	21,135	12,000
Social events	188	220
Life insurance conference	112,396	96,064
Practising certificate seminar	19,026	16,080
Data analytics committee events	8,397	10,857
	<u>297,635</u>	<u>268,157</u>
	<u>2018</u>	<u>2017</u>
	S\$	S\$
<u>Expenditure</u>		
AGM and dinner	10,792	7,665
Career fair	2,559	1,561
Enterprise risk management	26,133	-
Forums	8,612	21,767
General insurance conference	41,381	45,599
Health and retirement conference	45,314	48,165
International committee training event	12,009	8,452
Social events	10,199	11,308
Life insurance conference	68,965	68,884
Practicing certificate seminar	6,045	5,696
Data analytics committee events	3,053	10,138
	<u>235,062</u>	<u>229,235</u>
Surplus	<u>62,573</u>	<u>38,922</u>

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5. OTHER INCOME

	<u>2018</u> S\$	Reclassified <u>2017</u> S\$
Fixed deposit interest	518	1,421
Job advertisements	23,100	19,800
Miscellaneous income	305	-
Special employment credit	1,602	1,681
Sponsorship	117,000	47,601
	<u>142,525</u>	<u>70,503</u>

6. STAFF COSTS

	<u>2018</u> S\$	<u>2017</u> S\$
Salaries and bonuses	142,980	130,498
CPF and SDL	19,279	18,150
Other employee benefit expenses	4,042	2,897
	<u>166,301</u>	<u>151,545</u>

7. SURPLUS / (DEFICIT) BEFORE TAX FROM OPERATING ACTIVITIES

This is arrived at after charging the following:

	<u>2018</u> S\$	<u>2017</u> S\$
Depreciation of plant and equipment (Note 9)	7,143	9,571
Office rental	39,290	26,194
Staff costs (Note 6)	166,301	151,545

8. INCOME TAX EXPENSE

	<u>2018</u> S\$	<u>2017</u> S\$
Tax expense attributable to surplus is made up of:		
- Overprovision in respect of prior years' income tax	(2,899)	-

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8. INCOME TAX EXPENSE (CONT'D)

The income tax benefit on deficit before income tax differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	<u>2018</u> S\$	<u>2017</u> S\$
Surplus / (deficit) before income tax	72,904	(26,803)
Tax calculated at a tax rate of 17% (2017: 17%)	12,394	(4,557)
Effects of:		
- Income not taxable for tax purposes	(1,386)	-
- Expenses not deductible for tax purpose	840	3,480
- Deferred tax benefit not recognised	-	1,077
- Deferred tax benefit to be recognised	(11,848)	-
- Overprovision in respect of prior years' income tax	(2,899)	-
	<u>(2,899)</u>	<u>-</u>

The Organisation has unabsorbed losses of approximately S\$1,173 (2017: S\$70,865) available for offsetting against future taxable profits. The deferred tax benefit arising from the above is S\$199 (2017: S\$12,047). The realisation of the deferred tax benefit is available for unlimited period subjected to there being no substantial change in shareholders as required by the provision of the Singapore Income Tax Act. Deferred tax assets are not recognised in the profit or loss because of the uncertainty in the Organisation to generate adequate income in the foreseeable future.

9. PLANT AND EQUIPMENT

	<u>Computer</u> S\$	<u>Furniture and fittings</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
<u>Cost</u>				
Balance at 1 January 2017	2,501	3,230	9,754	15,485
Addition	3,012	3,767	9,965	16,744
Balance at 31 December 2017	5,513	6,997	19,719	32,229
Addition	2,746	-	-	2,746
Balance at 31 December 2018	<u>8,259</u>	<u>6,997</u>	<u>19,719</u>	<u>34,975</u>
<u>Accumulated depreciation</u>				
Balance at 1 January 2017	834	2,154	6,502	9,490
Depreciation charge for the financial year	2,772	1,887	4,912	9,571
Balance at 31 December 2017	3,606	4,041	11,414	19,061
Depreciation charge for the financial year	2,565	1,256	3,322	7,143
Balance at 31 December 2018	<u>6,171</u>	<u>5,297</u>	<u>14,736</u>	<u>26,204</u>
<u>Net carrying amount</u>				
As at 31 December 2018	<u>2,088</u>	<u>1,700</u>	<u>4,983</u>	<u>8,771</u>
As at 31 December 2017	<u>1,907</u>	<u>2,956</u>	<u>8,305</u>	<u>13,168</u>

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10. OTHER RECEIVABLE

	<u>2018</u> S\$	<u>2017</u> S\$
Other receivable	11,084	45

Other receivable is not past due or impaired at the dates of the statement of financial position.

11. OTHER CURRENT ASSETS

	<u>2018</u> S\$	<u>2017</u> S\$
Deposit	11,030	11,380
Prepayment	8,284	5,553
	<u>19,314</u>	<u>16,933</u>

12. FIXED DEPOSITS (UNSECURED)

Fixed deposit which is renewed on annual basis, bears effective interest rate of 0.10% - 0.55% (2017: 0.10% - 0.55%) per annum.

13. CASH AND CASH EQUIVALENTS

	<u>2018</u> S\$	<u>2017</u> S\$
Cash at bank	378,162	348,963

14. OTHER PAYABLES

	<u>2018</u> S\$	<u>2017</u> S\$
Other payables	15,581	11,560
Withholding tax	-	65,385
	<u>15,581</u>	<u>76,945</u>

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15. DEFERRED INCOME

	<u>2018</u> S\$	<u>2017</u> S\$
Advance subscription fees	104,032	79,731

16. PRIOR YEAR RECLASSIFICATION

The Organisation has recognised its international committee training event income and part of data analytics committee events income as genetic sponsorship under sponsorship income. As these incomes were specifically for data analytics committee events and international committee training event, the Organisation decides to reclass these income to its specific event income. The speaker gifts and competition prizes incurred for 2017 was specifically for data analytics committee events and forum events, the Organisation has also decides to re-class this expenses to data analytics committee events and forum expenses as per use. The financial statement of the Organisation for the financial year ended 31 December 2017, have been reclassified to aid comparability to financial year ended 31 December 2018.

The effect on the statement of profit or loss and other comprehensive income are as follows:

	<u>As restated</u> S\$	<u>Reclassified</u> S\$	<u>As previously reported</u> S\$
31 December 2017			
Statement of profit or loss and <u>comprehensive income</u>			
- Other income	70,503	(13,600)	84,103
- Conference and events	38,922	3,044	35,878
- International committee	-	(8,452)	8,452
- Speakers' gift and competition prizes	-	(2,104)	2,104

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17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Organisation is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include market risk (including currency risk, interest rate risk and price risk), credit risk and liquidity risk. The management carried out their financial risks management in accordance with established policies and procedures.

The following sections provide the Organisation's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) Market risk

(i) Currency risk

The Organisation is not exposed to currency risk as all the balances and transactions are in Singapore Dollar.

(ii) Interest rate risk

The Organisation is not exposed to interest rate risk as the Organisation does not have any interest bearing financial liabilities at statement of financial position date.

(iii) Price risk

The Organisation is not exposed to price risk as it does not hold any listed securities.

(b) Credit risk

The Organisation has no significant concentration of credit risk. The Organisation has credit policies and procedure in place to minimise and mitigate its credit risk exposure.

(c) Liquidity risk

Liquidity risk is a risk that the Organisation will encounter difficulty in meeting financial obligations due to shortage of funds. The Organisation's exposure to liquidity risk may arise primarily from mismatches of collections and payments timing.

The Organisation has no exposure to liquidity risk.

The Organisation's liquidity risk management policy is to maintain sufficient liquid financial assets to pay for liabilities that are due in the next twelve months.

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17. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

(c) Liquidity risk (cont'd)

The table below summarises the maturity profile of the Organisation's financial liabilities at the balance sheet date based on contractual payments:

	<u>2018</u> One year or less S\$	<u>2017</u> One year or less S\$
Other payables	15,581	76,945

(d) Capital management

The primary objective of the Organisation's capital management is to ensure that it maintains a strong credit rating and that asset position in order to support its business and maximise members' value. The Capital structures of the Organisation comprise of accumulated surplus.

The Organisation manages its capital structures and makes adjustments to it, in the light of changes in economic conditions to maintain or adjust capital structure. The Organisation is not exposed to any externally imposed capital requirements. No changes were made to the objectives, policies or process during the financial year.

(e) Fair values

The carrying amounts of the financial assets and financial liabilities at the statement of financial position date approximate the fair values due to the relatively short term maturity of these financial instruments.

18. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2018 were authorised for issue in accordance with a resolution of the council members on 14 March 2019.