

SINGAPORE ACTUARIAL SOCIETY
(UEN No.: S76SS005K)
(Registered under the Registry of Societies)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

SINGAPORE ACTUARIAL SOCIETY
(Registered under the Registry of Societies)

FINANCIAL STATEMENTS

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SINGAPORE ACTUARIAL SOCIETY
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GENERAL INFORMATION

COUNCIL

Matthew Maguire - President
Frederick Weber - Vice President
Raymond Cheung Wai Man - Honorary Secretary
Francis Robert Devlin - Honorary Treasurer
Eric Seah - Council Member
Esther Huang Chu Xin - Council Member
Joey Zhou Yi - Council Member
Lim Siang Thnia - Council Member
Danny Quant - Council Member
Raymond Chan Kin Wei - Council Member
Chua See Ju - Council Member
Hitesh Shah - Council Member
Jill 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

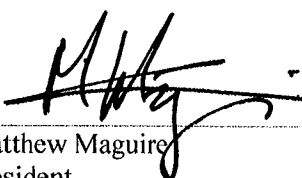
SINGAPORE ACTUARIAL SOCIETY
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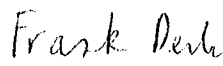
STATEMENT BY EXECUTIVE COUNCIL

We, Matthew 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 2017 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 Maguire
President

Francis Robert Devlin
Honorary Treasurer

Singapore, **3 MAR 2018**



**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 2017, 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 2017 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
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(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 FRSs, 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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- 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 UP

A Garanzia LLP
Public Accountants and
Chartered Accountants
Singapore

3 MAR 2018

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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 2017**

	<u>Note</u>	<u>2017</u> S\$	As restated <u>2016</u> S\$
INCOME			
Members' annual and admission fees			
- Current year	(3)	126,445	121,036
Conference and events	(4)	35,878	18,717
Other income	(5)	84,104	138,004
		246,427	277,757
Less: EXPENDITURE			
Audit fee		3,600	3,300
Bank charges		37	348
Council and committees' refreshments		11,529	6,721
Depreciation of plant and equipment	(9)	9,571	5,162
40 th Anniversary Celebration		-	107,959
IAA membership fees		8,382	7,397
Insurance		6,555	7,319
International committee		8,452	-
Office equipment expenses		-	1,371
Office rent	(7)	26,194	18,618
Office maintenance		1,355	960
Penalty		10,897	-
Postage, printing and stationery		3,301	2,438
Professional fee		12,293	12,097
Speakers' gifts and competition prizes		2,104	3,210
Staff costs	(6)	151,545	152,028
Sponsorship		5,000	5,000
Tax fee		2,680	-
Travel		-	7,428
Telephone and internet		3,394	3,677
Transport		700	546
Website maintenance		5,641	10,699
Withholding tax		-	3,726
		273,230	360,004
Deficit before tax from operating activities	(7)	(26,803)	(82,247)
Income tax expense	(8)	-	(4,001)
Deficit for the financial year		(26,803)	(86,248)
Other comprehensive income for the financial year, net of tax		-	-
Total comprehensive loss for the financial year		(26,803)	(86,248)

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 2017

	<u>Note</u>	<u>31/12/2017</u> S\$	<u>As restated</u> <u>31/12/2016</u> S\$	<u>As restated</u> <u>1/1/2016</u> S\$
Represented by:				
ACCUMULATED FUND		<u>483,332</u>	<u>510,135</u>	<u>596,383</u>
NON-CURRENT ASSET				
Plant and equipment	(9)	13,168	5,995	8,656
CURRENT ASSETS				
Other receivable	(10)	45	16,685	42,615
Other current assets	(11)	16,933	5,370	5,320
Fixed deposit	(12)	260,899	259,478	259,093
Cash and cash equivalents	(13)	348,963	353,972	407,648
		<u>626,840</u>	<u>635,505</u>	<u>714,676</u>
LESS: CURRENT LIABILITIES				
Other payables	(14)	76,945	66,411	58,534
Deferred income	(15)	79,731	64,954	68,415
		<u>156,676</u>	<u>131,365</u>	<u>126,949</u>
NET CURRENT ASSETS		<u>470,164</u>	<u>504,140</u>	<u>587,727</u>
		<u>483,332</u>	<u>510,135</u>	<u>596,383</u>

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

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**STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

	<u>Note</u>	Accumulated <u>fund</u> S\$
Balance at 1 January 2016		
- As previously reported		647,144
Prior year adjustment	(17)	(50,761)
As restated		596,383
Total comprehensive loss for the financial year		
- As previously reported		(82,522)
Prior year adjustment	(17)	(3,726)
As restated		(86,248)
Balance at 31 December 2016		510,135
Total comprehensive loss for the financial year		(26,803)
Balance at 31 December 2017		483,332

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 2017

	<u>2017</u> S\$	As restated <u>2016</u> S\$
Cash flows from operating activities		
Deficit before income tax from operating activities	(26,803)	(82,247)
Adjustments for:		
Depreciation of plant and equipment	9,571	5,162
Interest income	(1,422)	(385)
Operating deficit before working capital changes	(18,654)	(77,470)
Decrease in other receivable	16,640	25,930
Increase in other current asset	(11,563)	(50)
Increase in other payables	10,534	7,877
Increase / (decrease) in deferred income	14,777	(3,461)
Cash generated from / (used in) operations	11,734	(47,174)
Income tax paid	-	(4,001)
Net cash from / (used in) operating activities	11,734	(51,175)
Cash flows from investing activities		
Purchase of plant and equipment	(16,744)	(2,501)
Interest received	1,422	385
Net cash used in investing activities	(15,322)	(2,116)
Net decrease in cash and cash equivalents	(3,588)	(53,291)
Cash and cash equivalents at beginning of the financial year	613,450	666,741
Cash and cash equivalents at end of the financial year (Note 13)	609,862	613,450

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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 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 2017

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

(a) Basis of preparation (cont'd)

The adoption of these new / revised FRS and INT FRS has no material effect on the financial statements.

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 115: Revenue from Contracts with Customers	1 January 2018
FRS 109: Financial Instruments	1 January 2018
FRS 102: Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 40: Amendments to FRS 40: Transfers of Investment Property	1 January 2018
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 Interest in Associates and Joint ventures	1 January 2019

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.

(b) 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

(c) *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.

(d) *Income tax*

Current income tax liabilities for current and prior periods are recognised at the amounts expected to be paid to the tax authorities, using the tax rates that have been enacted or substantially enacted by the statement of financial position date.

Deferred income tax assets / liabilities are recognised for all deductible taxable temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax assets and liabilities are measured at:

- (a) the tax rates that are expected to be applied when the related deferred income tax asset is realised or the deferred income tax liability is settled based on tax rates that have been enacted or substantially enacted by the statement of financial position date; and
- (b) the tax consequence that would follow from the manner in which the Organisation expects, at the statement of financial position date, to recover or settle the carrying amounts of its assets and liabilities.

The Organisation has no deferred income tax assets / liabilities.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

(e) 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.

(f) 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.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

(f) Impairment of non-financial assets (cont'd)

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.

(g) Financial assets

Financial assets within the scope of FRS 39 are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments or available-for-sale financial assets. Financial assets are recognised on the statement of financial position when the Organisation becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at fair value, in the case when financial assets are not at fair value, they are stated at directly attributable transaction cost.

Financial assets are classified as held for trading if they are acquired for selling in the near term. Gains or losses on investments held for trading are recognised in the profit or loss.

Financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the Organisation has positive intention and ability to hold the assets to maturity. Investments held under this category are measured at amortised cost using the effective interest method. For investments carried at amortised cost, gains or losses are recognised in the profit or loss through the amortisation process.

Financial assets with fixed and determinable payments that are not quoted are classified as loans and receivables. Such assets are carried at amortised cost using the effective interest method. Gains or losses are recognised in the profit or loss through the amortisation process.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

(g) Financial assets (cont'd)

Available-for-sale financial assets are any other financial assets that are not classified in any preceding categories. Available-for-sale financial assets are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised. For quoted investments, fair value is determined by market bid price. For unquoted investments, fair value is determined by using valuation techniques, like discounted cash flow analysis.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition 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 is recognised in profit or loss.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(h) Impairment of financial assets

A financial asset is assessed at each reporting date to determine whether there is any objective evidence that it is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that assets.

Financial assets carried at amortised cost

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

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

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

Financial assets carried at amortised cost (cont'd)

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Organisation considers factors such as the probability of insolvency or significant financial difficulties of the receivable and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment include (i) significant financial difficulty of the issuer or obligor, (ii) information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and (iii) a significant or prolonged decline in the fair value of the investment below its costs. Significant is to be evaluated against the original cost of the investment and 'prolonged' against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal repayment and amortisation) and its current fair value, less any impairment loss previously recognised in the profit or loss, is transferred from other comprehensive income and recognised in profit or loss. Reversals of impairment losses in respect of equity instruments are not recognised in profit or loss; increase in their fair value after impairment are recognised directly in other comprehensive income.

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NOTES TO THE FINANCIAL STATEMENTS (CONT'D)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

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

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

Available-for-sale financial assets (cont'd)

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on the investment previously recognised in the profit or loss.

Future interest income continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent period, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed in the profit or loss.

(i) Receivables

Receivables are measured in initial recognition at fair value and are subsequently measured at amortised cost using the effective interest rate method. Appropriate bad and doubtful debts for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The bad and doubtful debts recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed subsequent to initial recognition.

(j) 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.

(k) Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Organisation becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

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

(l) 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.

(m) 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.

(n) 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>2017</u> S\$	As restated <u>2016</u> S\$
Members annual fees		
- Current year	121,355	111,394
- Prior year	-	2,797
	<u>121,355</u>	<u>114,191</u>
Members admission fees	5,090	6,845
	<u>126,445</u>	<u>121,036</u>

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4. CONFERENCE AND EVENTS

	<u>2017</u> S\$	As restated <u>2016</u> S\$
<u>Income</u>		
AGM and dinner	862	754
Career fair	3,000	2,800
Enterprise risk management conference	-	25,187
Forums	2,680	1,656
General insurance conference	50,293	63,542
Health and retirement conference	76,101	51,960
Social events	220	476
Life insurance conference	96,064	73,401
Practising certificate seminar	16,080	10,098
Machine learning workshop	9,257	2,838
	<u>254,557</u>	<u>232,712</u>
	<u>2017</u> S\$	<u>2016</u> S\$
<u>Expenditure</u>		
AGM and dinner	7,665	9,749
Career fair	1,561	1,609
Enterprise risk management	-	31,645
Forums	21,263	10,084
General insurance conference	45,599	43,321
Health and retirement conference	48,165	46,430
Social events	11,308	10,866
Life insurance conference	68,884	54,624
Practicing certificate seminar	5,696	3,873
Machine learning workshop	8,538	1,794
	<u>218,679</u>	<u>213,995</u>
 Surplus	 <u>35,878</u>	 <u>18,717</u>

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5. OTHER INCOME

	<u>2017</u>	As restated <u>2016</u>
	S\$	S\$
Fixed deposit interest	1,422	385
Job advertisements	19,800	39,050
Special employment credit	1,681	3,568
Sponsorship	61,201	95,001
	<u>84,104</u>	<u>138,004</u>

6. STAFF COSTS

	<u>2017</u>	As restated <u>2016</u>
	S\$	S\$
Salaries and bonuses	130,498	129,910
CPF and SDL	18,150	18,404
Other employee benefit expenses	2,897	3,714
	<u>151,545</u>	<u>152,028</u>

7. DEFICIT BEFORE TAX FROM OPERATING ACTIVITIES

This is arrived at after charging the following:

	<u>2017</u>	As restated <u>2016</u>
	S\$	S\$
Depreciation of plant and equipment (Note 9)	9,571	5,162
Office rental	26,194	18,618
Staff costs (Note 6)	<u>151,545</u>	<u>152,028</u>

8. INCOME TAX EXPENSE

	<u>2017</u>	As restated <u>2016</u>
	S\$	S\$
Tax expense attributable to surplus is made up of:		
- Underprovision in respect of prior years' income tax	-	4,001

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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>2017</u> S\$	As restated <u>2016</u> S\$
Deficit before income tax	(26,803)	(82,247)
Tax calculated at a tax rate of 17% (2016: 17%)	(4,557)	(13,982)
Effects of:		
- Expenses not deductible for tax purpose	3,480	878
- Deferred tax benefit not recognised	1,077	13,104
- Underprovision in respect of prior years' income tax	-	4,001
	<u>-</u>	<u>4,001</u>

The Organisation has unabsorbed losses of approximately S\$6,334 (2016: S\$77,085) available for offsetting against future taxable profits. The deferred tax benefit arising from the above is S\$1,077 (2016: S\$13,104). 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 2016	-	3,230	9,754	12,984
Addition	2,501	-	-	2,501
Balance at 31 December 2016	2,501	3,230	9,754	15,485
Addition	3,012	3,767	9,965	16,744
Balance at 31 December 2017	<u>5,513</u>	<u>6,997</u>	<u>19,719</u>	<u>32,229</u>
<u>Accumulated depreciation</u>				
Balance at 1 January 2016	-	1,077	3,251	4,328
Depreciation charge for the financial year	834	1,077	3,251	5,162
Balance at 31 December 2016	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	<u>3,606</u>	<u>4,041</u>	<u>11,414</u>	<u>19,061</u>
<u>Net carrying amount</u>				
As at 31 December 2017	<u>1,907</u>	<u>2,956</u>	<u>8,305</u>	<u>13,168</u>
As at 31 December 2016	<u>1,667</u>	<u>1,076</u>	<u>3,252</u>	<u>5,995</u>

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10. OTHER RECEIVABLE

	<u>2017</u> S\$	<u>2016</u> S\$
Other receivable	45	16,685

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

11. OTHER CURRENT ASSETS

	<u>2017</u> S\$	<u>2016</u> S\$
Deposit	11,380	5,370
Prepayment	5,553	-
	<u>16,933</u>	<u>5,370</u>

12. FIXED DEPOSITS (UNSECURED)

Fixed deposit which is renewed on annual basis, bears effective interest rate of 0.10% ~ 0.55% (2016: 0.10% ~ 0.55%) per annum.

13. CASH AND CASH EQUIVALENTS

	<u>2017</u> S\$	<u>2016</u> S\$
Cash at bank	348,963	353,972
Fixed deposits (Note 12)	260,899	259,478
	<u>609,862</u>	<u>613,450</u>

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14. OTHER PAYABLES

	<u>2017</u> S\$	As restated <u>2016</u> S\$	As restated <u>2015</u> S\$
Other payables	11,560	11,924	7,773
Withholding tax	65,385	54,487	50,761
	<u>76,945</u>	<u>66,411</u>	<u>58,534</u>

15. DEFERRED INCOME

	<u>2017</u> S\$	<u>2016</u> S\$
Advance subscription fees	<u>79,731</u>	<u>64,954</u>

16. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

	<u>2017</u> S\$	As restated <u>2016</u> S\$
<u>Financial assets</u>		
Loans and receivables		
- Other receivable (Note 10)	45	16,685
- Fixed deposit (Note 12)	260,899	259,478
- Cash and cash equivalents (Note 13)	348,963	353,972
	<u>609,907</u>	<u>630,135</u>
<u>Financial liabilities</u>		
Financial liabilities carried at amortised cost		
- Other payables (Note 14)	<u>76,945</u>	<u>66,411</u>

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17. PRIOR YEAR ADJUSTMENTS

The Organisation has omitted to recognise withholding taxes for payments made to expert lecturers invited to speak in their seminars since 2012. As these payments were not reported to the Inland Revenue Authority, the Organisation decides to voluntarily report to Controller of Income Tax this year. The financial statements of the Organisation for the financial years ended 31 December 2016 and 31 December 2015, have been restated to correct the above errors.

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

	<u>As restated</u> S\$	<u>Adjustment</u> S\$	<u>As previously reported</u> S\$
31 December 2015			
<u>Statement of financial position</u>			
Equity			
- Accumulated fund	596,383	(50,761)	647,144
- Other payable	58,534	50,761	7,773
31 December 2016			
<u>Statement of profit or loss and other comprehensive income</u>			
Withholding tax	3,726	3,726	-
<u>Statement of financial position</u>			
Equity			
- Accumulated fund	510,135	(54,487)	564,622
- Other payable	66,411	54,487	11,924

18. 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.

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

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

Credit risk is a risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Organisation's exposures to credit risk arise primarily from other receivable.

The Organisation's objective is to seek continual revenue growth while minimising losses incurred due to increase in credit risk exposure. The Organisation does not need credit term. The receivable balances are monitored on an ongoing basis with the result that the Organisation's exposure to bad debts is not significant.

The Organisation has no outstanding financial instruments.

Exposure to credit risk

At the statement of financial position date, the Organisation's maximum exposure to credit risk is represented by the carrying value of each class of financial assets recognised in the statement of financial position.

Information regarding receivable is disclosed in Note 10.

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

(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.

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

	<u>2017</u> One year or less S\$	As restated <u>2016</u> One year or less S\$
Other payables	76,945	66,411

(d) Capital risk

The Organisation's objectives when managing capital are to ensure that the Organisation is adequately capitalised and to maintain an optimal capital structure between cash and investments.

Capital is defined as total accumulated surplus from the Organisation's activities.

The Organisation is not subject to any externally imposed capital requirements.

(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.

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19. RECLASSIFICATION AND COMPARATIVE FIGURES

The following classification of comparative figures in prior year to enhance comparability with current year's financial statements:

	<u>As reclassified</u> S\$	<u>As previously reported</u> S\$
31 December 2016		
<u>Statement of profit or loss and other comprehensive income</u>		
Audit fee	3,300	3,856
Postage, printing and stationery	2,438	1,882

20. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the financial year ended 31 December 2017 were authorised for issue in accordance with a resolution of the council members on 3 March 2018.