

FINANCIAL STATEMENTS

31 December 2020

Singapore Association of Convention & Exhibition Organizers & Suppliers
(SACEOS)

(Registered under the Societies Act, Chapter 311)

Unique Entity Number: S80SS0012C

ORGANISATION INFORMATION

Unique Entity Number S80SS0012C

Committee	Aloysius Arlando	President
	Anthea Tan	Honorary Secretary
	Don Tsai	Honorary Treasurer
	Janet Tan-Collis	Immediate Past President
	Oscar Cerezales	Vice-President
	Richard Ireland	Vice-President
	Selina Sinclair	Vice-President
	Veemal Gungadin	Vice-President
	Loo Aik Cheong	Committee Member
	Gerard Rodrigues	Committee Member
	Ivan Ferrari	Committee Member
	Karen Ng	Committee Member
Kerry Healy	Committee Member	

Bankers DBS Bank Ltd

Auditors P G Wee Partnership LLP
Chartered Accountants of Singapore
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Singapore 079906
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STATEMENT BY COMMITTEE

For the financial year ended 31 December 2020

The Committee is responsible for the preparation and fair presentation of these financial statements in accordance with the Societies Act (the Act) and Singapore Financial Reporting Standards.

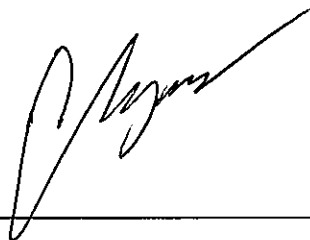
In our opinion, the financial statements are drawn up so as to present fairly, in all material respects, of the state of affairs of the Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS) (the Association) as at 31 December 2020 and of the results, changes in fund and cash flows of the Association for the year ended on that date in accordance with the provisions of the Act and Singapore Financial Reporting Standards.

The Committee has, on the date of this statement, approved and authorised these financial statements for issue.

On Behalf of Committee,



Anthea Tan
Honorary Secretary



Don Tsai
Honorary Treasurer

29 January 2021

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS)

(Registered under the Societies Act, Chapter 311)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS) (the "Association") which comprise the statement of financial position as at 31 December 2020, and the statement of comprehensive income, statement of changes in fund and statement of cash flows for the 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 Societies Act, Chapter 311 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2020 and the results, changes in fund and cash flows of the Association for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Statement by Committee.

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

PK

INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS)
(Registered under the Societies Act, Chapter 311)

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 a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Committee

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

The Committee is responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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.

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INDEPENDENT AUDITOR'S REPORT

To the Members of Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS)

(Registered under the Societies Act, Chapter 311)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- 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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- 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 Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the Association have been properly kept in accordance with those Regulations.

P G Wee Partnership LLP
Public Accountants and
Chartered Accountants
Singapore

29 January 2021

STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	2020 SGD	2019 SGD
Income			
Revenue	3	556,079	934,734
Government grants	4	329,433	258,850
		<u>885,512</u>	<u>1,193,584</u>
Less: Expenditure			
Finance costs	5	(324)	(420)
Depreciation expense	9	(59,554)	(72,504)
Employee benefits expense	6	(499,840)	(509,817)
Training, seminar and workshop expenses		(61,690)	(80,696)
MICE events expenses		(82,617)	(279,671)
Trade exhibition expenses		-	(11,352)
Directory and publication expenses		(13,900)	(10,375)
Other event expenses		(56,475)	(62,514)
Other expenses	7	(96,561)	(88,729)
Total Expenditure		<u>(870,961)</u>	<u>(1,116,078)</u>
Surplus before income tax		14,551	77,506
Income tax expense	8	-	3,354
Surplus for the year		<u>14,551</u>	<u>80,860</u>
Total Comprehensive Income for the year		<u>14,551</u>	<u>80,860</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2020 SGD	2019 SGD
Assets			
Non-Current Assets			
Property, Plant and Equipment	9	71,681	94,236
Total Non-Current Assets		<u>71,681</u>	<u>94,236</u>
Current Assets			
Inventories		2,689	3,698
Trade and Other Receivables	10	384,712	734,276
Other Assets	11	13,759	7,833
Cash and Cash Equivalents	12	521,148	211,714
Total Current Assets		<u>922,308</u>	<u>957,521</u>
Total Assets		<u>993,989</u>	<u>1,051,757</u>
Fund and Liabilities			
Fund			
Accumulated fund		762,766	748,215
Total Fund		<u>762,766</u>	<u>748,215</u>
Non-Current Liabilities			
Borrowings	14	12,374	12,374
Total Non-Current Liabilities		<u>12,374</u>	<u>12,374</u>
Current Liabilities			
Trade and Other Payables	13	28,972	45,927
Borrowings	14	36,999	36,876
Contract liabilities	15	148,888	203,865
Income Tax Payable		3,990	4,500
Total Current Liabilities		<u>218,849</u>	<u>291,168</u>
Total Liabilities		<u>231,223</u>	<u>303,542</u>
Total Fund and Liabilities		<u>993,989</u>	<u>1,051,757</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CHANGES IN FUND

For the financial year ended 31 December 2020

	Accumulated Fund SGD
Opening Balance at 1 January 2020	748,215
Total Comprehensive Income for the Year	<u>14,551</u>
Closing Balance at 31 December 2020	<u>762,766</u>
Opening Balance at 1 January 2019	667,355
Total Comprehensive Income for the Year	<u>80,860</u>
Closing Balance at 31 December 2019	<u>748,215</u>

The accompanying notes form an integral part of these financial statements

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2020

	Note	2020 SGD	2019 SGD
Cash Flows From Operating Activities			
Surplus For the Year		14,551	77,506
Adjustments for:			
Depreciation of Property, Plant and Equipment		59,554	72,504
Interest Expense		324	420
Operating Cash Flows Before Changes in Working Capital		<u>74,429</u>	<u>150,430</u>
Changes in Working Capital			
Inventories		1,009	2,042
Trade and Other Receivables		349,564	23,261
Other Assets		(5,926)	20,813
Trade and Other Payables		(16,955)	(52,217)
Other Liabilities		-	(39,016)
Contract Liabilities		(54,977)	43,114
Cash Flows From (Used In) Operations		<u>347,144</u>	<u>148,427</u>
Income Taxes Paid		(510)	(8,245)
Net Cash Flows From (Used In) Operating Activities		<u>346,634</u>	<u>140,182</u>
Cash Flows From Investing Activities			
Purchase of Plant and Equipment		-	(67,231)
Interest Expense		(324)	(420)
Net Cash Flows From (Used In) Investing Activities		<u>(324)</u>	<u>(67,651)</u>
Cash Flows From Financing Activities			
Borrowings		(36,876)	(24,382)
Pledged Deposit		-	(15,000)
Net Cash Flows From (Used In) Financing Activities		<u>(36,876)</u>	<u>(39,382)</u>
Net Increase (Decrease) in Cash and Cash Equivalents		309,434	33,149
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance		<u>196,714</u>	<u>163,565</u>
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance	12	<u>506,148</u>	<u>196,714</u>

The accompanying notes form an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

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

1 General Information

Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS) is registered in Singapore. The Association was registered on 14 February 1980 with the Registrar of Societies.

Singapore Association of Convention & Exhibition Organizers & Suppliers (SACEOS) registered office

The principal activities of the Association are those of convention and exhibition organisers.

The Committee has, on the date of this statement, approved and authorised these financial statements for issue.

2 Significant Accounting Policies

Basis of Preparation

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

The financial statements expressed in Singapore Dollar ("SGD") are prepared in accordance with the historical cost convention except as disclosed, where appropriate, in the accounting policies below.

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 revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the association has adopted all the new and revised standards and interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Association.

Currency Translation

(a) Functional and Presentation Currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore Dollar ("SGD"), which is the association's functional and presentation currency.

All financial information presented are denominated in Singapore Dollar unless otherwise stated.

(b) Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss.

Revenue Recognition

Revenue is measured based on the consideration to which the association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the association satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

Such services is recognised when the services are rendered and the contracted performance obligation is satisfied. Such revenue can be recognised at a point in time or over time depending on when control of goods or services is transferred to the customer.

Interest Income

Interest Income is recognised on receipt basis.

Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. A government grant that becomes receivables as compensation for expenses or losses incurred is recognised as income in profit or loss of the period in which it becomes receivable. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

Retirement Benefit Costs

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions made to government managed retirement benefit plan such as Central Provident Fund ("CPF") which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

Leases

The association assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

As Lessee

The association applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The association recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

Right-Of-Use Assets

The association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straightline basis over the shorter of the lease term and the estimated useful lives of the Assets.

If ownership of the leased asset transfers to the association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

The association's right-of-use assets are presented within property, Property, Plant and Equipment (Note 9).

Lease Liabilities

At the commencement date of the lease, the association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the association and payments of penalties for terminating the lease, if the lease term reflects the association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The association's lease liabilities are included in borrowings (Note 14).

Short-term leases and leases of low-value assets

The association applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

Income Tax Benefit (Expense)

The tax expenses is determined on the basis of Section 11(2) of the Income Tax Act wherein trade associations are deemed to carry on a business for income tax purposes if more than fifty percent of their receipts in the form of entrance fees and subscriptions are from members who are entitled to claim these as deductions under Section 14 of the Income Tax Act.

Sales Tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

Property, Plant and Equipment

Property, Plant and Equipment are stated at cost less accumulated depreciation and impairment

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives. The estimated useful lives have been taken as follows:

Leasehold building	-	Over the lease period of 2 years
Computers and software	-	3 years
Office equipment	-	3 years
Furniture and fittings	-	3 years

The residual values, estimated useful lives and depreciation method are reviewed, and adjusted as appropriate, at end of each reporting year.

Fully depreciated assets are retained in the accounts until they are no longer in use.

On disposal of an item of property, Property, Plant and Equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

Impairment of Non-Financial Assets

The Association assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Association makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

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 association measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss (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 association 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

Debt instruments of the association mainly comprise of cash and bank deposits and other receivables.

Subsequent measurement of debt instruments depends on the association'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, fair value through other comprehensive income (FVOCI) and FVPL. The association 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.

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.

Impairment of financial assets

The association 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 association 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.

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).

Inventories

Inventories are stated at the lower of cost and net realisable value on a first-in first-out basis.

Cash and Cash Equivalents

This includes deposits with financial institutions.

Financial Liabilities

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of the consideration received plus, in the case of a financial liability not at fair value through profit or loss, directly attributable transaction costs and subsequently measured at amortised cost using the effective interest rate method.

Gain 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 extinguished.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the association has received consideration (or an amount of consideration is due) from customer. If customer pays consideration before the association transfers good or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the association performs under the contract.

Borrowing Costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

Provisions

A provision is recognised when there is a present obligation (legal and constructive) as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at end of each reporting year and adjusted to reflect the current best estimate.

Critical Judgements, Assumptions and Estimation Uncertainties

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the reporting date. However, uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amount of the asset or liability affected in the future.

(a) Judgements made in Applying Accounting Policies

In the process of applying the Association's accounting policies, management has made the following judgement, apart from those involving estimations, which has the most significant effect on the amounts recognised in the financial statements:

Income Tax

Significant judgement is involved in determining the income tax payable. There are certain transactions and computations for which the ultimate tax determination is uncertain during the normal course of business. The Association recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of lease term of contracts with extension options

The association determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

The association has a lease contract that include extension options. The association applies judgement in evaluating whether it is reasonably certain whether or not to exercise the option to extend the lease. That is, it considers all relevant factors that create an economic incentive for it to exercise the extension. After the commencement date, the association reassesses the lease term whether there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend.

The association included the extension option in the lease term for leases of leasehold buildings because of the leasehold improvements made and the significant costs that would arise to replace the assets.

(b) Key Sources of Estimation Uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Useful Lives of Property, Plant and Equipment

Property, Plant and Equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these Property, Plant and Equipment to be within 2 to 3 years. The carrying amount of the Association's Property, Plant and Equipment as at 31 December 2020 is disclosed in note 8 to the financial statements. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

Expected Credit Losses on Trade Receivables

Expected credit losses (ECLs) are probability-weighted estimates of credit losses over the life of a financial instrument. In estimating ECLs to determine the probability of default of its debtors, the association has used historical information, such as past credit loss experience. Where applicable, historical data are adjusted to reflect the effects of current conditions as well as management's assessment of future economic conditions based on observable market information, which involved significant estimates and judgement.

As at the statement of financial position, the association does not have any trade receivables that are subject to ECLs.

3 Revenue

	2020	2019
	SGD	SGD
Subscription fees	133,082	121,283
Training, seminar and workshop income	155,030	163,073
MICE events income	145,837	516,411
Directory and publication income	30,752	43,103
Trade exhibition income	8,447	-
Others	82,931	90,864
	<u>556,079</u>	<u>934,734</u>

All revenue from services are recognised over time.

4 Government Grant

	2020	2019
	SGD	SGD
Rental waiver	15,762	-
Job support scheme	91,200	-
Wage credit scheme	9,638	-
Other grants	212,833	258,850
	<u>329,433</u>	<u>258,850</u>

Government grants consist of wage support SGD 91,200 (2019: Nil) for local employees under the Jobs Support Scheme from the Singapore Government as part of the Government's measures to support businesses during the period of economic uncertainty impacted by COVID-19.

5 Finance Costs

	2020	2019
	SGD	SGD
Interest Expense on Lease Liabilities	324	420

6 Employee Benefits Expense

	2020	2019
	SGD	SGD
Casual labour	11,884	11,253
CPF and SDL	55,996	56,997
Insurance	5,847	5,327
Salaries and bonuses	424,913	436,073
Staff welfare	1,200	167
	<u>499,840</u>	<u>509,817</u>

7 Other Expenses

	2020	2019
	SGD	SGD
Accountancy fee	18,000	18,000
Office equipment rental	2,380	3,588
Office rental	1,800	14,200
Transport and traveling	690	6,087
Professional fees	47,750	21,500
Others	25,941	25,354
	<u>96,561</u>	<u>88,729</u>

8 Income Tax Benefit (Expense)

	2020	2019
	SGD	SGD
Current income tax	-	(4,500)
(Under) Over provision in previous year	-	7,854
	<u>-</u>	<u>3,354</u>

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2019: 17%) to profit (loss) before income tax as a result of the following differences:

	2020	2019
	SGD	SGD
Income tax expense at statutory rate	2,474	13,176
Non-taxable items	(12,323)	-
Non-allowable items	3,915	21,643
Tax exemptions and reliefs	-	(22,260)
Under(over) provision in previous year	-	(7,854)
Other items	5,934	(8,059)
	<u>-</u>	<u>(3,354)</u>

9 Plant and Equipment

	Leasehold Buildings	Computer and Software	Office Equipment	Furniture and Fittings	Total
	SGD	SGD	SGD	SGD	SGD
Cost					
At 1.1.2019	-	82,555	4,510	5,489	92,554
Additions	73,632	67,231	-	-	140,863
At 31.12.2019 and 1.1.2020	73,632	149,786	4,510	5,489	233,417
Additions	36,999	-	-	-	36,999
At 31.12.2020	110,631	149,786	4,510	5,489	270,416
Accumulated Depreciation					
At 1.1.2019	-	57,834	4,102	4,741	66,677
Depreciation for year	24,545	46,843	368	748	72,504
At 31.12.2019 and 1.1.2020	24,545	104,677	4,470	5,489	139,181
Depreciation for year	36,815	22,699	40	-	59,554
At 31.12.2020	61,360	127,376	4,510	5,489	198,735
Net Carrying Amount					
At 31.12.2020	49,271	22,410	-	-	71,681
At 31.12.2019	49,087	45,109	40	-	94,236

Right-of-Use assets acquired under leasing arrangements are presented under leasehold buildings.

10 Trade and Other Receivables

	2020	2019
	SGD	SGD
Trade receivables	121,950	151,693
Grant receivables	262,762	582,583
	<u>384,712</u>	<u>734,276</u>

Trade receivables are non-interest bearing and are generally on 30 days' credit terms.

11 Other Assets

	2020	2019
	SGD	SGD
Deposits paid	6,000	6,000
Prepayments	7,759	1,833
	<u>13,759</u>	<u>7,833</u>

12 Cash and Cash Equivalents

	2020	2019
	SGD	SGD
Cash at bank	506,148	196,714
Fixed deposits	15,000	15,000
	<u>521,148</u>	<u>211,714</u>
Pledged deposit (a)	<u>(15,000)</u>	<u>(15,000)</u>
Cash and cash equivalents in the statement of cash flows	<u>506,148</u>	<u>196,714</u>

Fixed deposits bear interest of 1.15% (2019: 1.15%) per annum and for tenure of approximately 12 months (2019: 12 months).

(a) Deposit is pledged to bank to secure credit card facilities.

13 Trade and Other Payables

	2020	2019
	SGD	SGD
GST payables	7,930	9,545
Accruals	20,497	35,836
Other payables	545	546
	<u>28,972</u>	<u>45,927</u>

Trade payables are non-interest bearing and are normally settled on 30 days' term.

14 Borrowings

	2020	2019
	SGD	SGD
Current Lease Liabilities (Note 16)	36,999	36,876
Non-Current Lease Liabilities (Note 16)	12,374	12,374
	<u>49,373</u>	<u>49,250</u>

15 Contract Liabilities

Contract liabilities represent services for courses and memberships which have not been rendered as at the end of reporting period.

Contract liabilities are recognised as revenue as (or when) the association satisfy the performance obligations under its contracts.

The following table provides information about contract liabilities from contracts with customers:

	2020	2019
	SGD	SGD
Contract liabilities	<u>148,888</u>	<u>203,865</u>

16 Leases

The association has lease contracts for office space. The Association's obligations under these leases are secured by the lessor's title to the leased assets. The Association is restricted from assigning and subleasing the leased assets.

The Association also has certain leases of premises with lease terms of 12 months or less. The Association applies the 'short-term lease' recognition exemptions for these leases.

(a) Carrying amounts of right-of-use assets classified within property, plant and equipment

	Leasehold buildings	Total
	SGD	SGD
At 1 January 2019	73,632	73,632
Depreciation	(24,545)	(24,545)
At 31 December 2019	<u>49,087</u>	<u>49,087</u>
Additions	36,999	36,999
Depreciation	(36,815)	(36,815)
At 31 December 2020	<u>49,271</u>	<u>49,271</u>

(b) Lease liabilities

The carrying amounts of lease liabilities (included under borrowings) and the movements during the

A reconciliation of liabilities arising from financing activities is as follows:

	1 January 2020	Cash flows	Non-cash changes			31 December 2020
	SGD	SGD	Addition	Accretion of Interests	Others	SGD
			SGD	SGD	SGD	SGD
Liabilities						
Lease liabilities						
- current	36,876	(37,200)	36,999	324	-	36,999
- non-current	12,374	-	-	-	-	12,374
	<u>49,250</u>	<u>(37,200)</u>	<u>36,999</u>	<u>324</u>	<u>-</u>	<u>49,373</u>

	1 January 2019	Cash flows	Non-cash changes			31 December 2019
	SGD	SGD	Addition	Accretion of interests	Others	SGD
			SGD	SGD	SGD	SGD
Liabilities						
Lease liabilities						
- current	-	(420)	49,250	420	(12,374)	36,876
- non-current	-	-	-	-	12,374	12,374
	<u>-</u>	<u>(420)</u>	<u>49,250</u>	<u>420</u>	<u>-</u>	<u>49,250</u>

The "Others" column relates to reclassification of non-current and current portion of lease liabilities.

(c) Amounts recognised in profit or loss

	2020	2019
	SGD	SGD
Depreciation of right-of-use assets	36,815	24,545
Interest expense on lease liabilities (Note 5)	324	420
Lease expense not capitalised in lease liabilities:		
- Expense relating to short-term leases (included in rental expenses)	1,800	14,200
Total amount recognised in profit or loss	<u>38,939</u>	<u>39,165</u>

(d) Total cash outflow

For the reporting year, the company had total cash outflows for leases of SGD 39,000 (2019: SGD 39,000).

(e) Extension options

The association has a lease contract that include extension options. These options are negotiated by management to provide flexibility in managing the leased-asset portfolio and align with the association's business needs. Management exercises significant judgement in determining whether these extension options are reasonably certain to be exercised (Note 2).

17 Financial Risk Management Objectives and Policies

The main risks from the Association's financial instruments are liquidity risk and credit risk. The policies for managing each of these risks are summarised below.

Liquidity Risk

Liquidity risk is the risk that the Association will not be able to meet its financial obligations as and when they fall due. The Association's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and financial liabilities.

The Association reviews its working capital requirements to assess the adequacy of cash and cash equivalents to finance the operations.

Analysis of Financial Instruments by Remaining Contractual Maturities

The table below summarises the maturity profile of the Association's financial assets and liabilities at end of the reporting year based on contractual undiscounted repayment obligations.

	2020			2019		
	1 year or less	2 to 5 years	Total contractual cash flow	1 year or less	2 to 5 years	Total contractual cash flow
	SGD	SGD	SGD	SGD	SGD	SGD
Financial assets						
Trade and other receivables	384,712	-	384,712	734,276	-	734,276
Other assets	6,000	-	6,000	6,000	-	6,000
Cash and cash equivalents	521,148	-	521,148	211,714	-	211,714
	<u>911,860</u>	<u>-</u>	<u>911,860</u>	<u>951,990</u>	<u>-</u>	<u>951,990</u>
Financial liabilities						
Borrowings	37,187	12,413	49,600	37,200	12,400	49,600
Trade and other payables	21,042	-	21,042	36,383	-	36,383
	<u>58,229</u>	<u>12,413</u>	<u>70,642</u>	<u>73,583</u>	<u>12,400</u>	<u>85,983</u>
Total net undiscounted financial assets (liabilities)	<u>853,631</u>	<u>(12,413)</u>	<u>841,219</u>	<u>878,407</u>	<u>(12,400)</u>	<u>866,007</u>

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the association. The association's exposure to the credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the association minimises credit risk by dealing exclusively with high credit rating counterparties.

The association has adopted a policy of only dealing with creditworthy counterparties. The association performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The association considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The association has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days or there is significant difficulty of the counterparty.

To minimise credit risk, the association has developed and maintained the association's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the association's own trading records to rate its major customers and other debtors. The association considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 90 days past due in making contractual payment.

The association determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

The association categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 90 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The association's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
i	Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
ii	Amount is >90 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL - not credit-impaired
iii	Amount is >120 days past due or there is evidence indicating the asset is credit-impaired (in default)	Lifetime ECL - not credit-impaired
iv	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery	Amount is written off

Trade receivables

For trade receivables, the association has applied a simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The association determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

The ageing of trade receivables as at 31 December:

	2020	2019
	SGD	SGD
<i>Trade receivables past due</i>		
Less than 30 days	2,652	9,034
31 to 60 days	-	1,104
More than 90 days	13,758	-
	<u>16,410</u>	<u>10,138</u>

As at the statement of financial position date, the association does not have any trade receivables that are subject to ECLs.

Credit Risk Concentration Profile

The association has no significant concentration of credit risk.

18 Fair Value of Financial Assets and Financial Liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities and amounts payable approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

19 New Accounting Standards and FRSs Interpretations

At the date of authorisation of these financial statements, none the following FRSs, INT FRSs and amendments to FRS were issued but not yet effective are relevant to the Association.

20 Classification of Financial Assets and Liabilities

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

	2020	2019
	SGD	SGD
Financial liabilities at amortised cost	70,415	85,633
Financial assets at amortised cost	911,859	951,990

21 Impact of COVID-19

The Coronavirus Disease 2019 (the "Covid-19") pandemic subsequent to the reporting period is expected to affect the business and economic activities of the association. Although it is not possible to reliably estimate the length or severity of this outbreak and hence its financial impact, the effects of Covid-19 has and may continue to affect the association's business. This may in turn result in a decrease in the association's profitability and other material adverse effects. The related impact will be reflected in the association's financial statements for the financial year ending December 31, 2021. Notwithstanding this, management has assessed that the association will be able to maintain sufficient liquidity for at least the next twelve months from the date of authorisation of these financial statements.