

**SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND
ITS SUBSIDIARIES**

Company Registration No. 193700026G

**(Incorporated in the Republic of Singapore, Limited by Guarantee
and not having a share capital)**

**Directors' statement and audited financial statements
for the financial year ended 31 December 2016**



CA TRUST PAC

A FIRM OF CHARTERED ACCOUNTANTS OF SINGAPORE
ACRA No. 200819162E



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**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

CONTENTS

	Pages
Directors' statement	1 - 2
Independent auditor's report	3 - 5
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8 - 9
Statement of cash flows	10
Notes to the financial statements	11- 41

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

DIRECTORS' STATEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

The directors are pleased to present their statement to the members together with the audited financial statements of Singapore Indian Chamber of Commerce & Industry (the "Chamber") and Subsidiaries (the "Group") for the financial year ended 31 December 2016.

OPINION OF DIRECTORS

In the opinion of the directors,

- (a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Group and of the Chamber as at 31 December 2016 and the financial performance, changes in equity and cash flows of the Group and Chamber for the financial year ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Chamber will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Chamber in office at the date of this statement are:

Theyvendran S/O Ramanathan
Parekh Nimil Rajnikant
Mohan Das Naidu S/O Gopalasamy Santhana Krishnan Naidu
Akber Ali S/O Thajudeen
Thirumalai Chandran @ T Chandroo
Thiayarajan V T
Jayanthi D/O Ponnasamy Manian
Hanif Moez Nomanbhoy
Deepak Kumar Shantilal Singapuri
Kesavan S/O Sathyamoorthy
Ashok Khosla
Helen Campos
Jagdish Prasad Jaiswal
Srinivasan Venkita Padmanabhan
Thirukannangudi Rajagopalan Varadarajan
S Palaniappan
Subhangshu Dutt.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any times during the financial year was the Chamber a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Chamber to acquire benefits by means of the acquisition of shares in, or debentures of, the Chamber or any other body corporate, since the Chamber is a company limited by guarantee.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Chamber, being a company limited by guarantee, is prohibited from having a share capital. The Chamber has not issued any debentures during or after the financial year end. As such, the matters required to be disclosed by Section 9 of the Twelfth Schedule of the Companies Act are not applicable to the Chamber.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

**DIRECTORS' STATEMENT (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONTINUED)

None of the directors of the Chamber holding office at the end of the financial year had any interests in the shares or debentures of the subsidiaries.

SHARE OPTIONS

Chamber

The Chamber, being limited by guarantee, is prohibited from having a share capital. As such, the matters required to be disclosed by Section 9 of the Twelfth Schedule of the Companies Act are not applicable to the Chamber.

Subsidiaries

During the financial year, no options were granted to take up unissued shares in the subsidiaries.

During the financial year, there were no shares of the subsidiaries issued by virtue of the exercise of an option to take up unissued shares of the subsidiaries.

There were no unissued shares of the subsidiaries under option at the end of the financial year.

INDEPENDENT AUDITOR

The independent auditor, CA TRUST PAC, has expressed its willingness to accept the re-appointment.

On behalf of the Board of Directors

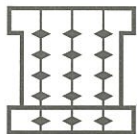


Theyvendran S/O Ramanathan
Chairman



Akber Ali S/O Thajudeen
Honorary Treasurer

Date: **06 MAR 2017**



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

Report on the audit of the financial statements

We have audited the accompanying financial statements of Singapore Indian Chamber of Commerce & Industry (the "Chamber") and its subsidiaries ("the Group"), which comprise the statement of financial position as at 31 December 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and Chamber for the financial year ended 31 December 2016, and a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group as at 31 December 2016, and of the financial performance, changes in equity and cash flows of the Group for the year ended on that date.

Basis of 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 Company 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 Directors' Statement set out on page 1 to 2.

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 a 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 SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

Report on the audit of the financial statements (Continued)

Responsibilities of Management and Directors 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 Group'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group'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 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 Chamber's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE INDIAN CHAMBER
OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES**

Report on the audit of the financial statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

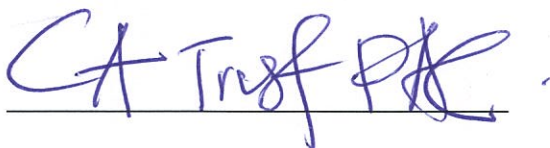
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we 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 Group 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 requirement

In our opinion, the accounting and other records required by the Act to be kept by the Chamber and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Chinnu Palanivelu.



CA TRUST PAC
Public Accountants and Chartered Accountants
Singapore

Date: 6 March 2017

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	<u>2016</u> \$	<u>Group</u> <u>2015</u> \$ (As restated)	<u>2016</u> \$	<u>Chamber</u> <u>2015</u> \$ (As restated)
Revenue	4	3,251,354	2,757,133	2,050,363	1,504,958
Other income	5	359,832	424,861	283,214	330,806
Administrative expenses		(73,279)	(88,633)	(25,553)	(40,449)
Other operating expenses	6	<u>(2,496,024)</u>	<u>(1,985,404)</u>	<u>(1,516,119)</u>	<u>(1,088,102)</u>
Profit before tax		1,041,883	1,107,957	791,905	707,213
Income tax expense	8	<u>(121,551)</u>	<u>(138,344)</u>	<u>(103,980)</u>	<u>(62,414)</u>
Profit for the financial year		920,332	969,613	687,925	644,799
Other comprehensive income		-	-	-	-
Total comprehensive income for the financial year		<u>920,332</u>	<u>969,613</u>	<u>687,925</u>	<u>644,799</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	<u>2016</u> \$	<u>Group</u> <u>2015</u> \$ (As restated)	<u>2016</u> \$	<u>Chamber</u> <u>2015</u> \$ (As restated)
ASSETS					
Non-Current assets					
Property, plant and equipment	9	3,859,064	3,976,140	19,334	33,565
Investment properties	10	409,189	431,907	409,189	431,907
Available-for-sales investments	11	300	300	300	300
Investment in subsidiaries	12	-	-	1,731,003	1,731,003
Due from a subsidiary	13	-	-	1,927,306	1,927,306
		<u>4,268,553</u>	<u>4,408,347</u>	<u>4,087,132</u>	<u>4,124,081</u>
Current assets					
Trade receivables	14	299,316	316,944	302,491	316,944
Other receivables	15	681,317	1,023,849	12,057	16,936
Cash and cash equivalents	16	3,449,762	2,316,398	2,253,330	1,844,805
		<u>4,430,395</u>	<u>3,657,191</u>	<u>2,567,878</u>	<u>2,178,685</u>
Total assets		<u>8,698,948</u>	<u>8,065,538</u>	<u>6,655,010</u>	<u>6,302,766</u>
EQUITY AND LIABILITIES					
Equity					
Building maintenance and education fund	17	90,290	90,290	90,290	90,290
Retained earnings		<u>8,260,323</u>	<u>7,339,991</u>	<u>6,356,834</u>	<u>5,668,909</u>
Total equity		<u>8,350,613</u>	<u>7,430,281</u>	<u>6,447,124</u>	<u>5,759,199</u>
Current liabilities					
Trade payables	18	20,098	90,935	6,876	72,347
Other payables	19	221,237	408,932	107,010	406,638
Income tax payable		<u>107,000</u>	<u>135,390</u>	<u>94,000</u>	<u>64,582</u>
Total liabilities		<u>348,335</u>	<u>635,257</u>	<u>207,886</u>	<u>543,567</u>
Total equity and liabilities		<u>8,698,948</u>	<u>8,065,538</u>	<u>6,655,010</u>	<u>6,302,766</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

	Note	Retained earning \$	Building maintenance and education fund \$	Total equity \$
Group				
At 1 January 2014		4,854,980	90,290	4,945,270
Profit for the financial year, representing total comprehensive income for the financial year				
- As previously reported		1,191,398	-	1,191,398
- Prior year adjustment	27 (i) & (ii)	324,000	-	324,000
As restated		1,515,398	-	1,515,398
At 31 December 2014		6,370,378	90,290	6,460,668
At 1 January 2015 (as restated)		6,370,378	90,290	6,460,668
Profit for the financial year, representing total comprehensive income for the financial year				
- As previously reported		1,323,479	-	1,323,479
- Prior year adjustment	27 (i)	(304,366)	-	(304,366)
- Prior year adjustment	27 (iii)	(49,500)	-	(49,500)
As restated		969,613	-	969,613
At 31 December 2015		7,339,991	90,290	7,430,281
At 1 January 2016 (as restated)		7,339,991	90,290	7,430,281
Profit for the financial year, representing total comprehensive income for the financial year		920,332	-	920,332
At 31 December 2016		8,260,323	90,290	8,350,613

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

**STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016**

		Retained earning	Building maintenance and education fund	Total equity
		\$	\$	\$
Chamber				
At 1 January 2015		5,024,110	90,290	5,114,400
Profit for the financial year, representing total comprehensive income for the financial year		694,299	-	694,299
- As previously reported				
- Prior year adjustment	27 (iii)	(49,500)	-	(49,500)
As restated		644,799	-	644,799
At 31 December 2015		5,668,909	90,290	5,759,199
At 1 January 2016 (as restated)		5,668,909	90,290	5,759,199
Profit for the financial year, representing total comprehensive income for the financial year		687,925	-	687,925
At 31 December 2016		6,356,834	90,290	6,447,124

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	Note	<u>Group</u> <u>2016</u> \$	<u>2015</u> \$ (As restated)	<u>Chamber</u> <u>2016</u> \$	<u>2015</u> \$ (As restated)
Cash flows from operating activities					
Profit before tax		1,041,883	1,107,957	791,905	707,213
<u>Adjustments for:</u>					
Depreciation for investment properties	10	22,718	22,718	22,718	22,718
Depreciation for property, plant and equipments	9	140,932	70,430	14,231	7,882
<i>Operating cash flows before changes in working capital</i>		1,205,533	1,201,105	828,854	737,813
<u>Changes in working capital</u>					
Trade receivables		17,628	(125,737)	14,453	(125,737)
Other receivables		342,532	(679,139)	4,879	(809)
Trade payables		(70,837)	(83,095)	(65,471)	(70,827)
Other payables		(187,695)	316,616	(299,628)	317,172
<i>Cash flows from operation</i>		1,307,161	629,750	483,087	857,612
Income tax paid		(149,941)	(98,405)	(74,562)	(62,765)
Net cash generated from operating activities		1,157,220	531,345	408,525	794,847
Cash flows from investing activity					
Acquisition of plant and equipment	9	(23,856)	(35,964)	-	(30,742)
Net cash used in investing activity		(23,856)	(35,964)	-	(30,742)
Net increase in cash and cash equivalents		1,133,364	495,381	408,525	764,105
Cash and cash equivalents at the beginning of the financial year		2,316,398	1,821,017	1,844,805	1,080,700
Cash and cash equivalents at the end of the financial year	16	3,449,762	2,316,398	2,253,330	1,844,805

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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

1 GENERAL

Singapore Indian Chamber of Commerce & Industry is a public company limited by guarantee, and is incorporated and domiciled in Singapore with its registered office and principal place of business at 31 Stanley Street, SICC Building, Singapore 068740. The Chamber's registration number is 193700026G.

Chamber

The principal activities of the Chamber is to promote and protect the interest of the Indian mercantile community in Singapore. There have been no significant changes to the Chamber's principal activities during the financial year.

Under Clause 8 of the Chamber's Memorandum of Association, each of the members of the Chamber undertakes to contribute a sum not exceeding \$4,755 (951 @ \$5/- each) (2015: \$4,455 (891 @ \$5/- each)) to the assets of the Chamber in the event of it being wound up.

Subsidiaries

The principal activities of the subsidiaries are to service electronic data information, promote and execute event, business mission, publication and other related projects, as well as that of business management, consultancy services and provide services to SMEs through SME Centre with the support of Spring Singapore.

The consolidated financial statements of the Group and the financial statements of the Chamber for the financial year ended 31 December 2016 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group have been drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar (\$), which is the Chamber's functional currency. All financial information presented in Singapore Dollar has been rounded to the nearest dollar, unless otherwise indicated.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those end of the previous financial year except in the current financial year, the Chamber has adopted all the new and revised standards which are relevant to the Chamber and are effective for annual financial periods beginning on or after 1 January 2016. The adoption of these standards did not have any material effect on the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.3 Standards issued but not yet effective**

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2016, and have not been applied in preparing these financial statements. The Chamber does not plan to early adopt these standards.

The following standards that have been issued but not yet effective are as follows:

Description	Effective for annual periods beginning on or after
FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 109 Financial Instruments	1 January 2018
Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	date to be determined
Amendments to FRS 7: Disclosure Initiative	1 January 2017
Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 116 Leases	1 January 2019
Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 January 2018
Amendments to FRS 40: Transfer of Investment Property	1 January 2018
Improvements to FRS 101: First-time Adoption of Financial Reporting Standards	1 January 2018
Improvements to FRS 112: Disclosure of Interests in Other Entities	1 January 2018
Improvements to FRS 28: Investments in Associates and Joint Ventures	1 January 2018
Amendments to FRS 104: Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts	1 January 2018
INT FRS 122: Foreign Currency Transactions and Advance Consideration	1 January 2018
Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018

The directors expect that the adoption of the standards above will have no material impact on the audited financial statements in the period of initial application, except as follow:

FRS 109 Financial Instruments

FRS 109 supersedes FRS 39 Financial Instruments: Recognition and Measurement with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

FRS 109 Financial Instruments (continued)

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income.

A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest Contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

FRS 109 introduced a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets and the new requirements are expected to result in changes for impairment provisions on trade receivables.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective (continued)

FRS 115 Revenue from Contracts with Customers

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

Key issues for the Chamber include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress toward satisfaction of a performance obligation, recognising contract cost assets and addressing disclosure requirements.

Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 116 Leases

FRS 116 Supersedes FRS 17 Leases and introduces a new single lessee accounting model which eliminates the current distinction between operating and finance leases for lessees. FRS 116 requires lessees to capitalise all leases on the statement of financial position by recognising a 'right-to-use' asset and a corresponding lease liability for the present value of the obligation to make lease payments, except for certain short-term leases and leases of low-value assets. Subsequently, the lease assets will be depreciated and the lease liabilities will be measured at amortised cost.

From the perspective of a lessor, the classification and accounting for operating and finance leases remains substantially unchanged under FRS 116. FRS 116 also requires enhanced disclosures by both lessees and lessors.

On initial adoption of this standard, there may be a potentially significant impact on the accounting treatment for the Group's leases, particularly rented office premises, which the Group, as lessee, currently accounts for as operating leases. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 January 2019 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation and business combinations

(a) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Chamber and its subsidiary companies as at the end of the reporting period. The financial statements of the subsidiary companies used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Chamber. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses, unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries companies are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Losses within a subsidiary company are attributed to the non-controlling interest even if that results in a deficit balance.

A change in the ownership interest of a subsidiary company, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary company, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) Business combination

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.5 Property, plant and equipment**

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Subsequent costs

The cost of replacing a part of an item of property, 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 Group, and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

Depreciation

Depreciation is based on the cost of an asset less its residual value. Depreciation is recognised in profit or loss, and calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives of each component of an item of property, plant and equipment. The estimated useful lives for the current and comparative years are as follows:

	<u>Useful lives</u>
Leasehold property	50 years (2015: 90 years)
Furniture and fittings	3 years
Office equipment	3 years
Renovation	3 years

Depreciation is charged till the date of disposal for the year in which an asset is sold.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Investment properties

Investment properties are property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment properties are measured at cost less accumulated depreciation and accumulated impairment losses. The Group depreciates its investment properties over the useful life of 50 years using the straight line method.

The estimated useful life and residual value of investment properties are reviewed, and adjusted as appropriate at each reporting date. The effects of any revision are recognised in the income statement when the change arises.

Investment properties is subject to renovations or improvements at regular intervals. The cost of major renovations or improvements is capitalised and the carrying amounts of the replaced components are recognised in profits and loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

Cost includes expenditure that is directly attributable to the acquisition of the investment properties. The cost of self-constructed investment properties includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment properties to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment properties (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment properties that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting.

Property that is being constructed for future use as investment property is accounted for at fair value.

2.7 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group 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 of disposal 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 or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of non-financial assets (Continued)

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.

2.8 Financial instruments

(i) Financial assets

Initial recognition and measurement

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

Subsequent measurement

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the assets 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 has been recognised in other comprehensive income is recognised in profit or loss.

(ii) Financial liabilities

Initial recognition and measurement

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

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Financial instruments (continued)

(ii) Financial liabilities (continued)

Subsequent measurement

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

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

Offsetting of financial instruments

A financial asset and a financial liability shall be offset and the net amount presented in the statement of financial position when, and only when, an entity:

- (a) currently has a legally enforceable right to set off the recognised amounts; and
- (b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously

2.9 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.9 Impairment of financial assets (continued)

Financial assets carried at amortised cost (continued)

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 asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current 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 asset 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 amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor 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.

2.10 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and bank deposits are subject to an insignificant risk of changes in value.

2.11 Provisions

General

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Investment in subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Group's balance sheet. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

2.13 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

(a) Income from publications

Revenue comprises the invoiced value of publications.

(b) Services rendered

Revenue from services rendered is recognised as income when services rendered have been completed and after eliminating sales within the Group.

(c) Membership subscription fees

Revenue is recognised on a time proportionate basis when the subscription fees are due. Members who have not paid the subscription fees within the extended period of the calendar year are removed from the list of members.

(d) Rental income

Rental income from operating leases on investment properties is recognised on a straight-line basis over the lease term.

(e) Interest income

Interest income is accrued on a time proportionate basis, by reference to the principal outstanding and at the interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount.

(f) Dividend income

Dividend income from investments is recognised when the right to receive payment has been established.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and the grants will be received. Government grants are offset against the costs for which they are intended to compensate, on a systematic basis over the periods necessary. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in the statement of comprehensive income in the period in which they become receivable.

2.15 Taxes

(i) Current income tax

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

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

(ii) Deferred tax

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

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

Deferred tax asset is not recognised for temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Taxes (continued)

(ii) Deferred tax (continued)

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

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

(iii) 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.

2.16 Employee benefits

(a) Defined contribution plans

The Group makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

(b) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(c) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made when the estimated liability for annual leave is incurred as a result of services rendered by employees up to the reporting date.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Leases

Operating leases

(i) As lessor

Leases where the Chamber retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in this note. Contingent rents are recognised as revenue in the period in which they are earned.

(ii) As lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

2.18 Related parties transactions

A party is related to an entity if:

(a) A person or a close member of that person's family is related to the Group if that person:

- (i) Has control or joint control over the Group;
- (ii) Has significant influence over the Group; or
- (iii) Is a member of the key management personnel of the Group or of parent of the Group;

(b) An entity is related to the Group if any of the following conditions applies:

- (i) The entity and the Group are members of the same Chamber (which means that each parent, subsidiary and fellow subsidiary is related to the others);
- (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a Chamber of which the other entity is a member);
- (iii) Both entities are joint ventures of the same third party;

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Related parties transactions (Continued)

(b) An entity is related to the Group if any of the following conditions applies: (Continued)

- (iv) One entity is a joint venture of a third party and the other entity is an associate of the third entity.
- (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group;
- (vi) The entity is controlled or jointly controlled by a person identified in (a);
- (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the Group's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

The management is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

There following are significant critical accounting estimates and assumption used, or critical judgement applied:

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

3 SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

(i) Useful life of property, plant and equipment

The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Group's property, plant and equipment as at 31 December 2016 was \$3,859,064 (2015: \$3,976,140).

(ii) Useful life of investment properties

The useful life of an item of investment properties is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly. The carrying amount of the Group's investment properties as at 31 December 2016 was \$409,189 (2015: \$431,907).

(iii) Impairment of loans and receivables

The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required. The carrying amounts of the Group's trade and other receivables, as at 31 December 2016 were \$299,316 (2015: \$316,944) and \$681,317 (2015: \$1,023,849) respectively.

(iv) Income taxes

The Group have exposure to income taxes in local jurisdiction. Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the tax determination is uncertain during the ordinary course of business. The Group 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 reporting period in which such determination is made.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

4 REVENUE

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
	(As restated)			
Trade documentation	772,841	735,905	772,841	735,905
Membership subscription fees	401,996	303,715	401,996	303,715
Income from publications	96,893	134,644	104,893	143,204
Consultancy and events	666,235	202,427	673,245	202,427
Miscellaneous	73,389	66,810	73,388	66,810
Grant from Spring Singapore	1,240,000	1,313,632	-	-
Administrative and consulting income from subsidiaries	-	-	24,000	52,897
	<u>3,251,354</u>	<u>2,757,133</u>	<u>2,050,363</u>	<u>1,504,958</u>

5 OTHER INCOME

Other income comprises of the following amounts:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Special employment credit	-	4,305	-	5,787
Cash payout	7,235	7,765	7,235	7,765
CPF board credit grant	-	14,111	-	1,765
Over accrued expenses	9,975	152,183	-	106,132
Wage credit scheme	87,219	59,132	23,992	29,322
Miscellaneous income	-	6,298	-	-
Donation	40,250	-	40,250	-
Interest income	28,304	-	28,304	-
Consultancy and events	3,416	1,031	-	-
Rental income	183,433	180,036	183,433	180,035
	<u>359,832</u>	<u>424,861</u>	<u>283,214</u>	<u>330,806</u>

6 OTHER OPERATING EXPENSES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
	(As restated)		(As restated)	
Depreciation for investment properties	22,718	22,718	22,718	22,718
Depreciation for property, plant and equipments	140,932	70,430	14,231	7,882
Events, marketing and membership	663,640	275,616	660,257	271,407
Printing, postage and stationery	66,153	45,850	60,246	33,105
Property maintenance expenses	45,707	37,825	38,423	37,825
Rental expenses	-	-	48,000	48,000
Employee expenses (Note 7)	1,320,986	1,219,483	563,650	578,290
Others	235,888	313,482	108,594	88,875
	<u>2,496,024</u>	<u>1,985,404</u>	<u>1,516,119</u>	<u>1,088,102</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

7 EMPLOYEE EXPENSES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Salaries and bonus	1,077,894	1,057,206	486,152	508,846
Staff insurance	14,825	9,461	7,151	9,461
Staff training and welfare	59,920	10,807	1,836	3,635
Contributions to Defined Contribution Plan	164,658	142,009	64,822	56,348
Others	3,689	-	3,689	-
	<u>1,320,986</u>	<u>1,219,483</u>	<u>563,650</u>	<u>578,290</u>

8 INCOME TAX EXPENSES

The major components of income tax expense recognised in profit or loss for the years ended 31 December 2016 and 31 December 2015 were:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Current year's taxation	107,000	138,610	94,000	64,582
Overprovision in prior year	-	(2,168)	-	(2,168)
Under provision in prior years	14,551	1,902	9,980	-
	<u>121,551</u>	<u>138,344</u>	<u>103,980</u>	<u>62,414</u>

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplies by the applicable corporate tax rate for the financial year ended 31 December 2016 and 31 December 2015 were as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Profit before tax	<u>1,041,883</u>	<u>1,107,957</u>	<u>791,905</u>	<u>707,213</u>
Income tax using the statutory tax rate of 17 %	177,120	188,353	134,624	120,226
Tax effects of:				
- Disallowable expenses	31,188	18,019	6,281	5,202
- Non-taxable income	-	(4,039)	-	(4,039)
- Capital allowances	(10,644)	(32,030)	(704)	(19,297)
- Exempt income	(53,423)	(51,850)	(25,925)	(25,925)
- Corporate tax rebate	(38,094)	(40,000)	(25,000)	(20,000)
Overprovision in prior year	-	(2,168)	-	(2,168)
Underprovision in prior year	14,551	1,902	9,980	-
Others	853	60,157	4,724	8,415
	<u>121,551</u>	<u>138,344</u>	<u>103,980</u>	<u>62,414</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

9 PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	<u>*Leasehold property</u> \$	<u>Furniture and fittings</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<u>Cost</u>					
As at 1 January 2016	4,344,551	8,422	146,694	45,766	4,545,433
Additions	-	-	13,856	10,000	23,856
As at 31 December 2016	4,344,551	8,422	160,550	55,766	4,569,289
<u>Accumulated depreciation</u>					
As at 1 January 2016	416,807	4,025	102,695	45,766	569,293
Depreciation charges	105,965	1,481	30,153	3,333	140,932
As at 31 December 2016	522,772	5,506	132,848	49,099	710,225
<u>Carrying amount</u>					
As at 31 December 2016	3,821,779	2,916	27,702	6,667	3,859,064

<u>Group</u>	<u>*Leasehold property</u> \$	<u>Furniture and fittings</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
<u>Cost</u>					
As at 1 January 2015	4,344,551	8,422	110,730	45,766	4,509,469
Additions	-	-	35,964	-	35,964
As at 31 December 2015	4,344,551	8,422	146,694	45,766	4,545,433
<u>Accumulated depreciation</u>					
As at 1 January 2015	367,914	1,704	83,479	45,766	498,863
Depreciation charges	48,893	2,321	19,216	-	70,430
As at 31 December 2015	416,807	4,025	102,695	45,766	569,293
<u>Carrying amount</u>					
As at 31 December 2015	3,927,744	4,397	43,999	-	3,976,140

*The leasehold property is located at 31 Stanley Street, SICCI Building, Singapore 068740. The term of the lease is 99 years, commencing from 28 December 1998.

The open market value of the leasehold property as at 31 December 2016 is \$9,000,000 (2015: \$9,500,000) based on an independent valuers' valuation.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

<u>Chamber</u>	<u>Furniture and fittings</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
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Cost

As at 1 January 2016/31				
December 2016	2,122	75,656	20,038	97,816

Accumulated depreciation

As at 1 January 2016	1,750	42,463	20,038	64,251
Depreciation charges	221	14,010	-	14,231
As at 31 December 2016	1,971	56,473	20,038	78,482

Carrying amount

As at 31 December 2016	151	19,183	-	19,334
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<u>Chamber</u>	<u>Furniture and fittings</u> \$	<u>Office equipment</u> \$	<u>Renovation</u> \$	<u>Total</u> \$
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Cost

As at 1 January 2015	2,122	44,914	20,038	67,074
Additions	-	30,742	-	30,742
As at 31 December 2015	2,122	75,656	20,038	97,816

Accumulated depreciation

As at 1 January 2015	1,529	34,802	20,038	56,369
Depreciation charges	221	7,661	-	7,882
As at 31 December 2015	1,750	42,463	20,038	64,251

Carrying amount

As at 31 December 2015	372	33,193	-	33,565
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SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

10 INVESTMENT PROPERTIES

	Group and Chamber	
	2016	2015
	\$	\$
<u>Cost</u>		
At the beginning and end of the financial year	<u>1,135,863</u>	<u>1,135,863</u>
<u>Accumulated depreciation</u>		
At the beginning of the financial year	703,956	681,238
Depreciation charges	<u>22,718</u>	<u>22,718</u>
At the end of the financial year	<u>726,674</u>	<u>703,956</u>
<u>Carrying value</u>		
Balance at the end of financial year	<u>409,189</u>	<u>431,907</u>

The leasehold properties are located at 101 Cecil Street #23-01/02/03/04, Tong Eng Building Singapore 069533. The term of the leasehold is 999 years. The leasehold properties are leased to third parties.

The open market value of the investment properties as at 31 December 2016 is \$6,600,000 (2015: \$6,400,000) based on an independent valuers' valuation.

The amount recognised in profit or loss are as follows:

	Group and Chamber	
	2016	2015
	\$	\$
Rental income	183,433	180,036
Property maintenance expenses	<u>(38,423)</u>	<u>(37,825)</u>
	<u>145,010</u>	<u>142,211</u>

11 AVAILABLE-FOR-SALES INVESTMENTS

	Group and Chamber	
	2016	2015
	\$	\$
Unquoted equity shares at cost	<u>300</u>	<u>300</u>

The investment is classified as available-for-sale and the fair value of the investment approximates its cost.

The investment represents 30,000 ordinary shares in the share capital of Parameswara Holding Ltd, a company incorporated in Singapore.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

12 INVESTMENT IN SUBSIDIARIES

	<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>
	\$	\$
Investment in subsidiaries	1,600,003	1,600,003
Amount due from SME Centre@SICCI Pte. Ltd.	131,000	131,000
	<u>1,731,003</u>	<u>1,731,003</u>

<u>Name of subsidiaries</u>	<u>Principal activities</u>	<u>Percentage of equity held</u>		<u>Cost of investment</u>	
		<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
		%	%	\$	\$
SICCI Trade Match Information Network (S) Pte. Ltd. - Singapore	To service electronic data information as well as promote and execute event, business mission, publication and other related projects	100	100	1,600,002	1,600,002
SME Centre @SICCI Pte. Ltd. - Singapore	To provide business management, consultancy and enterprise development services	100	100	1	1
				<u>1,600,003</u>	<u>1,600,003</u>

The Chamber owns 100% of the equity shares of the above mentioned subsidiaries and consequently it controls the voting power of those shares, it has the power to appoint and remove the majority of the board of directors. Consequently, the above mentioned subsidiaries are controlled by the Chamber and are consolidated in these financial statements.

The issued and fully paid up capital of SICCI Trade Match Information Network (S) Pte. Ltd. are 2,000,007 ordinary shares. 400,005 ordinary shares were issued as bonus shares by capitalising retained profit of \$400,005 and the remaining 1,600,002 ordinary shares were issued for cash consideration of S\$1,600,002.

13 DUE FROM A SUBSIDIARY

The amount due from subsidiary represents mainly the advance made for the purchase of the Group's leasehold property (see Note 9).

The amounts due from subsidiary is unsecured, interest free, non-trade in nature and repayable on demand.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

14 TRADE RECEIVABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Third parties	299,316	316,944	299,316	316,944
Related parties	-	-	3,175	-
	<u>299,316</u>	<u>316,944</u>	<u>302,491</u>	<u>316,944</u>

Trade receivables are unsecured, non-interest bearing and are generally on 30 days terms.

There is no class of financial assets that is past due and/or impaired except for trade receivables.

Receivables that are past due but not impaired

The followings are trade receivables that were past due at the reporting date but not impaired. These receivables were unsecured and the analysis of their aging at the reporting date was as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
<u>Trade receivables past due but not impaired:</u>				
Not past due	<u>12,175</u>	<u>82,925</u>	<u>15,350</u>	<u>82,925</u>
Past due				
1 to 30 days	25,602	143,399	25,602	143,399
31 to 60 days	3,916	25,180	3,916	25,180
Over 60 days	<u>257,623</u>	<u>65,440</u>	<u>257,623</u>	<u>65,440</u>
	<u>287,141</u>	<u>234,019</u>	<u>287,141</u>	<u>234,019</u>
Total	<u>299,316</u>	<u>316,944</u>	<u>302,491</u>	<u>316,944</u>

In the opinion of the directors, the past due amounts are recoverable and no allowance for impairment loss is necessary.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

15 OTHER RECEIVABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
	(As restated)			
<u>Other receivables</u>				
Deposits	11,246	9,777	9,566	8,376
Grant receivable	659,634	1,013,018	-	-
Prepayments	10,437	1,054	2,491	8,560
	<u>681,317</u>	<u>1,023,849</u>	<u>12,057</u>	<u>16,936</u>

16 CASH AND CASH EQUIVALENTS

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Cash at bank	1,881,885	1,008,111	686,359	537,878
Cash in hand	4,340	8,287	3,434	6,927
	<u>1,886,225</u>	<u>1,016,398</u>	<u>689,793</u>	<u>544,805</u>
Fixed deposits	1,563,537	1,300,000	1,563,537	1,300,000
	<u>3,449,762</u>	<u>2,316,398</u>	<u>2,253,330</u>	<u>1,844,805</u>

Included within the Group's cash and cash equivalents, an amount of \$860,055 (2015: \$230,748) that is the cash balance of SME Centre@SICCI Pte. Ltd. This amount was granted by Spring Singapore and there are conditions and restrictions as to how the grant amount is to be utilised.

17 BUILDING MAINTENANCE AND EDUCATION FUND

	<u>Group and Chamber</u>	
	<u>2016</u>	<u>2015</u>
	\$	\$
Beginning and end of the financial year	<u>90,290</u>	<u>90,290</u>

18 TRADE PAYABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
	(As restated)		(As restated)	
Third parties	<u>20,098</u>	<u>90,935</u>	<u>6,876</u>	<u>72,347</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

19 OTHER PAYABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Third parties	193,791	47,614	82,067	47,614
GST Payable	20,839	49,915	18,336	47,620
Advance payment received	6,607	311,403	6,607	311,404
	<u>221,237</u>	<u>408,932</u>	<u>107,010</u>	<u>406,638</u>

Including in other payables, an amount of \$79,494 is a fund received from another SME Centre to organise SME Centre Conference 2017. The remaining balance of this fund will be transferred to another SME Centre for the next SME Centre Conference.

20 RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the audited financial statements, the balances with related parties are unsecured, interest-free and are repayable on demand or at terms agreed between the parties. Significant transactions with related parties took place at terms agreed between the parties during the financial year are as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
<u>With subsidiary</u>				
Rental fee charged by related company	-	-	48,000	48,000
Administrative fee charged to related company	-	-	24,000	24,000
Donation and Sponsorship received from related company	-	-	7,009	-
Income from publication received from related company	-	-	8,000	-
	<u>-</u>	<u>-</u>	<u>8,000</u>	<u>-</u>
<u>With Directors</u>				
Printing and stationery	<u>33,326</u>	<u>36,680</u>	<u>33,326</u>	<u>36,680</u>

Compensation of key management personnel

Key management personnel of the Group are those persons having those authority and responsibilities for planning, directing and controlling the activities of the Group. The directors are considered as key management of the Group.

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Short-term employment benefits	<u>117,975</u>	<u>230,262</u>	<u>69,875</u>	<u>101,413</u>

20 RELATED PARTY TRANSACTIONS (CONTINUED)

Compensation of key management personnel (Continued)

The elected members of the Chamber's Board are not entitled to and have not received any remuneration of fees during the financial year.

The key management personnel for the Group comprises the Deputy Director and Centre Director (2015: Executive Director, Deputy Director and 1 executive officer).

The Key management personnel for the Chamber comprises the Deputy Director (2015: Executive Director and Deputy Director).

21 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk and liquidity risk.

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the financial year in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

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

21 FINANCIAL RISK MANAGEMENT (CONTINUED)

Credit Risk (Continued)

Financial assets that are neither past due nor impaired

Cash and cash equivalents are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are either past due or impaired

The financial assets that is past due and/or impaired are disclosed in Note 14.

Liquidity risk

Liquidity risk refers to the risk that the Chamber will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Chamber's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Chamber's operations are financed mainly through equity. The directors are satisfied that funds are available to finance the operations of the Chamber.

The undiscounted contractual cash flows of trade and other payable are equivalent to their carrying amounts and are repayable within one year.

22 FAIR VALUES

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value.

Cash and cash equivalents, other receivables, due from subsidiary and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables are approximate their fair values as they are subject to normal trade credit terms.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

23 FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of available-for-sales investments, loans and receivables and financial liabilities at amortised cost were as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
<u>Financial assets</u>				
Available-for-sale investment	300	300	300	300
<u>Loans and receivables</u>				
Trade receivables	299,316	316,944	302,491	316,944
Other receivables	670,880	1,022,795	9,566	8,376
Due from subsidiary	-	-	1,927,306	1,927,306
Cash and cash equivalents	3,449,762	2,316,398	2,253,330	1,844,805
	<u>4,419,958</u>	<u>3,656,137</u>	<u>4,492,693</u>	<u>4,097,431</u>
<u>Financial liabilities</u>				
Trade payables	20,098	90,935	6,876	72,347
Other payables	193,791	47,614	82,067	47,614
	<u>213,889</u>	<u>138,549</u>	<u>88,943</u>	<u>119,961</u>

24 RESTRICTION ON DISTRIBUTION OF RESERVES

The Chamber's Memorandum of Association provides that no portion of the income and property of the Chamber shall be paid by way of dividends to the members of the Chamber.

Included within the group's Accumulated Fund is an amount of \$1,280,562 (2015: \$1,036,375) attributable to SME Centre@SICCI Pte. Ltd. (the "Centre"). The Centre receives grants from Spring Singapore and there are conditions attached to the grants, including non-distribution of the centre's reserves.

25 LEASE COMMITMENTS

Lease payable

As at the reporting date, the Chamber was committed to making the following payments in respect of lease of office equipment with a term of more than one year:

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Minimum operating lease payments payable				
Within one year	20,760	19,968	3,360	4,380
After one year but not more than five years	65,050	30,251	11,200	12,065
	<u>85,810</u>	<u>50,219</u>	<u>14,560</u>	<u>16,445</u>

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

25 LEASE COMMITMENTS (CONTINUED)

Lease receivables

As at the reporting date, the Chamber was committed to the following amount of future minimum lease receivables under non-cancellable leases with related party.

	Group and Chamber	
	2016	2015
	\$	\$
Minimum operating lease payments receivable		
Within one year	30,572	183,433
After one year but not more than five years	-	30,572
	<u>30,572</u>	<u>214,005</u>

Operating lease receivables represent rentals receivable by the Chamber for its property. Rentals are fixed for an average term of 2 years.

During the year, \$183,433 (2015: \$180,036) was recognised as rental income in the statement of comprehensive income by the Group. Direct property expenses are amounted to \$38,423 (2015: \$37,825).

26 CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong base in order to support its business and maximise members' value.

The capital structure of the Chamber comprises retained earnings.

No changes were made in the objectives, policies or processes during the financial year ended 31 December 2016 and 31 December 2015.

The Group is not subject to any externally imposed capital requirements. The Chamber's overall strategy remains unchanged from 2015.

27 PRIOR YEAR ADJUSTMENT

Restatements**Grant income**

The Company receive grants from a government agency for Small-Median Enterprise (SME) enterprise development's initiatives.

Per *Financial Reporting Standard 20 - Accounting for Government Grants and Disclosure of Government Assistance*, government grants have to be recognised either income or balance sheet approach and shall not be recognised until there is reasonable assurance that: (a) the entity will comply with the conditions attaching to them; and (b) the grants will be received.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

27 PRIOR YEAR ADJUSTMENT (CONTINUED)

Restatements (Continued)

Grant income (Continued)

The management noted during the year that government grants have been recognised as cash basis which is not in accordance with FRS 20. Hence the following restatement has been incorporated in to the account to rectify the error in recognition of grant income. Detail of restatements are as follows:

- (i) Grant income amounting to \$304,366 was recognised as revenue for the financial year ended 31 December 2015 for work done for the financial year ended 31 December 2014 hence the management restated the error by increasing grant income amounting to \$304,366 for the financial year ending 31 December 2014.
- (ii) Grant income amounting to \$19,634 has been recognised as revenue in current financial year for work done for the financial year ended 31 December 2014 hence the management restated the error by increasing grant income amounting to \$19,634 for the financial year ending 31 December 2014.

Event expenses

- (iii) Expenses amounting to \$49,500 which regarding to an event held in 2015 have not been recognised as expenses, hence the management restated the error by increasing event expenses amounting to \$49,500 for the financial year ending 31 December 2015.

<u>Group</u>	<u>Note</u>	<u>As previously reported 2015</u> \$	<u>Restated 2015</u> \$	<u>As restated 2015</u> \$
<u>Statement of comprehensive income</u>				
Revenue	27 (i)	3,061,499	(304,366)	2,757,133
Other operating expenses	27 (iii)	<u>(1,935,904)</u>	<u>(49,500)</u>	<u>(1,985,404)</u>

Statement of financial position

Other receivables	27 (ii)	1,004,215	19,634	1,023,849
Trade payables	27 (iii)	(41,435)	(49,500)	(90,935)
Retained earnings b/f	27 (i) & (ii)	(6,046,378)	(324,000)	(6,370,378)
Retained earnings c/f	27 (ii) & (iii)	<u>(7,369,857)</u>	<u>29,866</u>	<u>(7,339,991)</u>

Statement of cash flows**Cash flows from operating activities**Changes in working capital

Other receivables	27 (i)	(983,505)	304,366	(679,139)
Trade payables	27 (iii)	<u>(132,595)</u>	<u>49,500</u>	<u>(83,095)</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

27 PRIOR YEAR ADJUSTMENT (CONTINUED)

Restatements (Continued)

<u>Group</u>	<u>Note</u>	<u>As previously reported 2014 \$</u>	<u>Restated 2014 \$</u>	<u>As restated 2014 \$</u>
<u>Statement of comprehensive income</u>				
Revenue	27 (i) & (ii)	3,606,672	324,000	3,930,672
<u>Statement of financial position</u>				
Other receivables	27 (i) & (ii)	20,710	324,000	344,710
Retained earnings c/f	27 (i) & (ii)	(6,046,378)	(324,000)	(6,370,378)
<u>Statement of cash flows</u>				
<u>Cash flows from operating activities</u>				
<u>Changes in working capital</u>				
Other receivables	27 (i) & (ii)	24,063	(324,000)	(299,937)

<u>Chamber</u>	<u>Note</u>	<u>As previously reported 2015 \$</u>	<u>Restated 2015 \$</u>	<u>As restated 2015 \$</u>
<u>Statement of comprehensive income</u>				
Other operating expenses	27 (iii)	(1,038,602)	(49,500)	(1,088,102)
<u>Statement of financial position</u>				
Trade payables	27 (iii)	(22,847)	(49,500)	(72,347)
Retained earnings c/f	27 (iii)	(5,718,409)	49,500	(5,668,909)
<u>Statement of cash flows</u>				
<u>Cash flows from operating activities</u>				
<u>Changes in working capital</u>				
Trade payables	27 (iii)	(120,327)	49,500	(70,827)

28 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the Board of Directors of the Chamber on 6 March 2017.

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

DETAILED PROFIT AND LOSS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Revenue				
Sales	3,251,354	2,757,133	2,050,363	1,504,958
Add: Other income				
Special employment credit	-	4,305	-	5,787
Cash payout	7,235	7,765	7,235	7,765
CPF board credit grant	-	14,111	-	1,765
Over accrued expenses	9,975	152,183	-	106,132
Wage credit scheme	87,219	59,132	23,992	29,322
Miscellaneous income	-	6,298	-	-
Donation	40,250	-	40,250	-
Interest income	28,304	-	28,304	-
Consultancy and events	3,416	1,031	-	-
Rental income	183,433	180,036	183,433	180,035
	359,832	424,861	283,214	330,806
Total income	<u>3,611,186</u>	<u>3,181,994</u>	<u>2,333,577</u>	<u>1,835,764</u>
Less: Operating expenses (see schedule attached)				
Administrative expenses	(73,279)	(88,633)	(25,553)	(40,449)
Other operating expenses	(2,496,024)	(1,985,404)	(1,516,119)	(1,088,102)
Profit before tax	<u>1,041,883</u>	<u>1,107,957</u>	<u>791,905</u>	<u>707,213</u>

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND ITS SUBSIDIARIES

OPERATING EXPENSES SCHEDULE

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

	<u>Group</u>		<u>Chamber</u>	
	<u>2016</u>	<u>2015</u>	<u>2016</u>	<u>2015</u>
	\$	\$	\$	\$
Administrative expenses				
Audit and accounting	18,482	15,107	8,076	11,436
Professional fees	54,797	73,526	17,477	29,013
	<u>73,279</u>	<u>88,633</u>	<u>25,553</u>	<u>40,449</u>
Other operating expenses				
Advertisement	2,776	8,560	-	-
Bank Charges	1,378	1,570	789	1,002
Commission	750	-	750	-
Consultancy fee	-	101,099	-	-
Course and programmes	-	3,668	-	3,668
Depreciation for investment properties	22,718	61,894	22,718	22,718
Depreciation for property, plant and equipment	140,932	31,254	14,231	7,882
Employee expenses (note 8)	1,320,986	1,219,483	563,650	578,290
Entertainment	-	2,649	-	-
Events, marketing and membership	663,640	275,616	660,257	271,407
Equipment lease	22,639	20,074	2,882	4,486
Equipment maintenance	-	741	-	-
General expenses	4,149	1,175	3,334	1,044
Input goods and services tax not claimable	20,229	12,849	-	-
Insurance and road tax	8,198	19,231	8,198	9,628
Medical fees	2,542	1,034	2,261	578
Minor assets expenses off	-	2,311	-	2,311
Office maintenance	25,362	66,192	16,394	22,981
Printing, postage and stationery	66,153	45,850	60,246	33,105
Property maintenance expenses	45,707	37,825	38,423	37,825
Refreshment	12,784	1,903	8,728	1,625
Rental expenses	-	-	48,000	48,000
Repair and maintenance	35,896	-	-	-
Sponsorship and donation	-	2,700	-	2,700
Staff recruitment	9,015	7,239	9,015	7,239
Subscription	400	2,000	-	2,000
Telephone expenses	15,963	13,085	15,615	12,226
Tradenet expenses	1,275	2,329	1,275	2,329
Transportation	33,713	22,412	13,725	6,258
Utilities	13,191	20,387	-	-
Website development and maintenance	3,428	19,575	3,428	8,800
Write off - sales	22,200	-	22,200	-
Write back of excess accrued income	-	18,155	-	-
Others	-	(37,456)	-	-
	<u>2,496,024</u>	<u>1,985,404</u>	<u>1,516,119</u>	<u>1,088,102</u>