

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

(A Company incorporated in Singapore,  
Limited by Guarantee and not having a Share Capital)  
(Registration No. 193700026G)

**Annual Report  
For the financial year ended 31 December 2015**

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

(A Company incorporated in Singapore,  
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(Registration No. 193700026G)

## **DIRECTORS' STATEMENT**

The directors present their statement to the members together with the audited financial statements of the Group and of the Chamber for the financial year ended 31 December 2015.

In the opinion of the directors,

- (a) the accompanying 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 2015 and the financial performance, changes in equity and cash flows of the Group and of the Chamber for the financial year ended on that date; 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.

### **1. DIRECTORS**

The directors holding office at the date of this report are:

THEYVENDRAN S/O RAMANATHAN (Chairman)  
PONNAMPALAM S/O A. RAJOO (Vice Chairman)  
PAREKH NIMIL RAJNIKANT (Vice Chairman)  
MOHAN DAS NAIDU S/O GOPALASAMY  
SANTHANA KRISHNAN NAIDU  
MALAIAPPAN S/O SINNAKARUPPAN  
(Honorary Treasurer)  
DINAKARAN S/O SUBRAMANIAM APPIAH  
CELLAPPAN SANKARANATHAN  
S PALANIAPPAN

AKBER ALI S/O THAJUDEEN  
KUPPAN KARUPPIAH  
KALLIDAIKURUCHI VISWESWREN AIYAPPAN  
DEEPAK KUMAR SHANTILAL SINGAPURI  
KESAVAN S/O SATHYAMOORTHY  
ASHOK KHOSLA  
HELEN CAMPOS  
SUBHANGSHU DUTT  
JAGDISH PRASAD JAISWAL  
SRINIVASAN VENKITA PADMANABHAN

### **2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES**

Neither at the end of nor at any time 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 in the Chamber or any other body corporate, since the Chamber is a company limited by guarantee.

### **3. 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 8 of the Twelfth Schedule of the Companies Act are not applicable to the Chamber.

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.

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**DIRECTORS' STATEMENT**

**4. SHARE OPTIONS GRANTED**

*Chamber*

The Chamber, being a company 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 as at the end of the financial year.

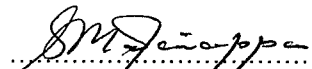
**5. INDEPENDENT AUDITORS**

The retiring auditors, MGI Menon & Associates, will not be seeking re-appointment at the Company's forthcoming Annual General Meeting.

On behalf of the Board of Directors



.....  
(THEYVENDRAN S/O RAMANATHAN)  
Chairman



.....  
(MALAIAPPAN S/O SINNAKARUPPAN)  
Honorary Treasurer/Director

Date:

06 APR 2016

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**  
  
**SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY**  
(A Company incorporated in Singapore,  
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**Report on the consolidated financial statements**

We have audited the accompanying consolidated financial statements of **SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY** (the "Chamber") and its subsidiary corporations (collectively, the "Group"), which comprise the statements of financial position as at 31 December 2015 of the Group and of the Chamber, and the statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Chamber for the financial year ended on that date, and a summary of significant accounting policies and other explanatory information, as set out on pages 5 to 40.

*Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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.

*Auditor's Responsibility*

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

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

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



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF**

**SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY - continued**


(A Company incorporated in Singapore,  
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*Opinion*

In our opinion, the consolidated financial statements of the Group and the financial statements of the Chamber are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Chamber as at 31 December 2015 and the financial performance, changes in equity and cash flows of the Group and of the Chamber for the financial year ended on that date.

**Report on other legal and regulatory requirements**

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.



**MGI MENON & ASSOCIATES  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS**

Singapore,  
6 April 2016



# SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND SUBSIDIARIES

(A Company incorporated in Singapore,  
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(Registration No. 193700026G)

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2015

		<u>Group</u>		<u>Chamber</u>	
	<u>NOTE</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b>ASSETS</b>					
<b>NON-CURRENT ASSETS</b>					
Property, plant and equipment	(4)	3,976,140	4,010,606	33,565	10,705
Investment property	(5)	431,907	454,625	431,907	454,625
Investment	(6)	300	300	300	300
Interest in subsidiaries	(7)	-	-	1,731,003	1,731,003
Due from subsidiary	(15)	-	-	1,927,306	1,927,306
Total non-current assets		4,408,347	4,465,531	4,124,081	4,123,939
<b>CURRENT ASSETS</b>					
Trade receivables	(8)	316,944	191,207	316,944	191,207
Other receivables	(9)	1,004,215	20,710	16,937	16,128
Cash and cash equivalents	(10)	2,316,398	1,821,017	1,844,805	1,080,700
Total current assets		3,637,557	2,032,934	2,178,686	1,288,035
<b>TOTAL ASSETS</b>		<b>8,045,904</b>	<b>6,498,465</b>	<b>6,302,767</b>	<b>5,411,974</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
Accumulated fund/ Retained earnings		7,369,857	6,046,378	5,718,409	5,024,110
Building maintenance and education fund	(13)	90,290	90,290	90,290	90,290
Total equity		7,460,147	6,136,668	5,808,699	5,114,400
<b>CURRENT LIABILITIES</b>					
Trade payables	(11)	41,435	174,030	22,847	143,174
Other payables	(12)	408,932	92,316	406,638	89,466
Income tax payable		135,390	95,451	64,582	64,934
Total current liabilities		585,757	361,797	494,067	297,574
Total liabilities		585,757	361,797	494,067	297,574
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>8,045,904</b>	<b>6,498,465</b>	<b>6,302,766</b>	<b>5,411,974</b>
<b>MEMBERS GUARANTEE</b>					
Members 891 (2014 - 927)					
@ S\$5/- each		4,455	4,635	4,455	4,635

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

**SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY  
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**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

	<u>NOTE</u>	<u>Group</u>		<u>Chamber</u>	
		<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
		<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b><u>Continuing operations</u></b>					
Revenue	(14)	<b>3,061,499</b>	3,606,672	<b>1,504,958</b>	2,378,801
Other income	(14)	<b>244,825</b>	71,790	<b>150,771</b>	23,354
Administrative expenses		<b>(88,633)</b>	(86,589)	<b>(40,449)</b>	(45,763)
Other operating expenses	(14)	<b>(1,898,079)</b>	(2,438,955)	<b>(1,000,778)</b>	(1,661,722)
Net income from investments	(14)	<b>142,211</b>	136,403	<b>142,211</b>	136,403
Profit before tax		<b>1,461,823</b>	1,289,321	<b>756,713</b>	831,073
Income tax expense	(16)	<b>(138,344)</b>	(97,923)	<b>(62,414)</b>	(63,375)
Profit for the financial year		<b>1,323,479</b>	1,191,398	<b>694,299</b>	767,698
Other comprehensive income		-	-	-	-
Total comprehensive income for the year		<b>1,323,479</b>	1,191,398	<b>694,299</b>	767,698

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

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**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

**Group**

	Accumulated fund/ Retained <u>earnings</u> S\$	Building maintenance and education <u>fund</u> S\$	<u>Total</u> S\$
<b><u>2015</u></b>			
Beginning of financial year	6,046,378	90,290	6,136,668
Total comprehensive income for the financial year	1,323,479	-	1,323,479
<b>End of financial year</b>	<b>7,369,857</b>	<b>90,290</b>	<b>7,460,147</b>

**2014**

Beginning of financial year	4,854,980	90,290	4,945,270
Total comprehensive income for the financial year	1,191,398	-	1,191,398
<b>End of financial year</b>	<b>6,046,378</b>	<b>90,290</b>	<b>6,136,668</b>

**Chamber**

	Accumulated <u>fund</u> S\$	Building maintenance and education <u>fund</u> S\$	<u>Total</u> S\$
<b><u>2015</u></b>			
Beginning of financial year	5,024,110	90,290	5,114,400
Total comprehensive income for the financial year	694,299	-	694,299
<b>End of financial year</b>	<b>5,718,409</b>	<b>90,290</b>	<b>5,808,699</b>

**2014**

Beginning of financial year	4,256,412	90,290	4,346,702
Total comprehensive income for the financial year	767,698	-	767,698
<b>End of financial year</b>	<b>5,024,110</b>	<b>90,290</b>	<b>5,114,400</b>

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



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**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015**

		<u>Group</u>		<u>Chamber</u>
	<u>NOTE</u>	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$
			<u>2014</u> S\$	
<b>Cash flows from operating activities</b>				
Profit before tax		1,461,823	1,289,321	756,713
Adjustments for:				831,073
Dividend income		-	(10,200)	-
Depreciation		93,148	81,369	(10,200)
				26,084
Operating cash flows before working capital changes		1,554,971	1,360,490	787,313
Changes in working capital:				846,957
Trade receivables		(125,737)	(118,927)	(125,737)
Other receivables		(983,505)	24,063	(809)
Trade payables		(132,595)	(84,165)	(120,327)
Other payables		316,616	44,943	(37,762)
				44,501
Cash generated from operations		629,750	1,226,404	857,612
Income tax paid net of refund		(98,405)	(29,549)	(62,765)
<b>Net cash generated from operating activities</b>		531,345	1,196,855	794,847
				741,590
<b>Cash flows from investing activities</b>				
Acquisition of plant and equipment		(35,964)	(25,444)	(30,742)
Dividends received		-	10,200	-
				10,200
<b>Net cash used in investing activities</b>		(35,964)	(15,244)	(30,742)
				1,966
<b>Cash flows from financing activities</b>				
Repayment to subsidiary		-	-	-
Subsidiary advances		-	-	(55,381)
				(2,140)
<b>Net cash used in financing activities</b>		-	-	-
				(57,521)
<b>Net increase in cash and cash equivalents</b>		495,381	1,181,611	764,105
				686,035
<b>Cash and cash equivalents at the beginning of financial year</b>		1,821,017	639,406	1,080,700
				394,665
<b>Cash and cash equivalents at the end of financial year</b>	(10)	2,316,398	1,821,017	1,844,805
				1,080,700

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

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

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## **NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2015**

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

### **1. CORPORATE INFORMATION**

SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY is a company limited by guarantee, and is incorporated in Singapore. The address of its registered office is:

31 Stanley Street  
SICCI Building  
Singapore 068740

#### *Chamber*

The principal activity of the Chamber is to promote and protect the interest of the Indian mercantile community in Singapore.

There has been no significant change in the nature of this activity during the financial year.

#### *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 2015 were authorised for issue by the Board of Directors on the date of the Directors' Statement.

### **2. BASIS OF PREPARATION**

#### **a) Statement of compliance**

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

#### **b) Basis of measurement**

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies that follow.

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

(A Company incorporated in Singapore,  
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## **NOTES TO THE FINANCIAL STATEMENTS - continued**

### **2. BASIS OF PREPARATION - continued**

#### **c) Functional and presentation currency**

These financial statements are presented in Singapore Dollars (S\$), which is the Chamber's functional currency.

#### **d) Basis of consolidation**

The consolidated financial statements incorporate the financial statements of the Chamber and entities controlled by the Chamber (its subsidiaries). Control is achieved where the Chamber has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with those used by the Group.

All intra Group transactions, balances, income and expenses are eliminated on consolidation.

Subsidiaries are those entities in which the Group has an interest in more than one half of the voting rights or otherwise has power to govern the financial and operating policies. The existence and effect of potential voting rights that are presently exercisable or presently convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill.

In the Chamber's financial statements, investment in subsidiaries is carried at cost less any impairment in net recoverable value that has been recognised in the statement of comprehensive income.

## SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND SUBSIDIARIES

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### NOTES TO THE FINANCIAL STATEMENTS - continued

#### 2. BASIS OF PREPARATION - continued

##### e) Use of estimates and judgement

The preparation of the financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

##### *Judgements made in applying accounting policies*

In the process of applying the entity's accounting policies, management is of the opinion that there are no critical judgements (other than those involving estimates) that have significant effect on the amounts recognised in the financial statements.

##### *Key sources of estimation uncertainty*

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year are as discussed below:

##### *Allowance for trade receivables*

The provision policy for doubtful debts of the Group is based on the ongoing evaluation of collectability and ageing analysis of the outstanding receivables and on management's judgement. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables, including creditworthiness and the past collection history of each customer. If the financial conditions of customers of the Group were to deteriorate, resulting in an impairment of their ability to make payments, allowances would be made.

##### *Depreciation*

The Group depreciates the property, plant and equipment and investment property over their estimated useful lives, after taking into account their estimated residual values, if any, using straight line method. The estimated useful lives reflect the directors' estimate of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment and investment property. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the asset, after deducting the estimated costs of disposal, if the asset was already of the age and in the condition expected at the end of its useful life.

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**NOTES TO THE FINANCIAL STATEMENTS - continued**

**2. BASIS OF PREPARATION - continued**

**f) Changes in accounting policies**

*Overview*

In the current financial year, the Group has adopted all the new and revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS has not resulted in changes to the Group's accounting policies and has also no material effect on the amounts reported for the current or prior year's financial information.

The Group has not early adopted any of the FRS, INT FRS, and amendments to FRS that were issued but not effective at the beginning of the financial year. The directors expect that the adoption of these other standards and interpretations will have no material impact on the financial statements in the financial period of initial application.

**3. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies set out in the following paragraphs have been applied consistently to both periods presented in these financial statements, and have been applied consistently by the Group, except as explained in Note 2(f), which addresses changes in accounting policies.

**a) Property, plant and equipment**

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

Depreciation is provided on a straight line basis to write off the cost of the assets over their estimated useful lives as follows:-

Leasehold property	-	90 years
Furniture and fittings	-	3 years
Office equipment	-	3 years
Renovation	-	3 years

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**NOTES TO THE FINANCIAL STATEMENTS – continued**

**3. SIGNIFICANT ACCOUNTING POLICIES - continued**

**a) Property, plant and equipment - continued**

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

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained earnings. Assets acquired during the year are charged with depreciation as of the acquisition date. Depreciation is charged till the date of disposal for the year in which an asset is sold.

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

**b) Investment Property**

Investment property is property held either to earn rental income or capital appreciation or both. It does not include properties for sale in the ordinary course of business, used in the production of supply of goods or services, or for administrative purposes.

Investment property is measured at cost less accumulated depreciation and accumulated impairment losses. The Group depreciates its investment property over the useful life of 50 years using the straight line method.

The estimated useful life and residual value of investment property 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 property 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 profit or loss. The cost of maintenance, repairs and minor improvements is recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the disposal proceeds and the carrying amount is recognised in profit or loss.

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## **NOTES TO THE FINANCIAL STATEMENTS – continued**

### **3. SIGNIFICANT ACCOUNTING POLICIES - continued**

#### **c) Financial instruments**

##### *i) Non-derivative financial assets*

The Group initially recognises loans and receivables and deposits on the date that they are originated. All other financial assets (including assets designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Group is recognised as a separate asset or liability.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial assets into the following categories: financial assets at fair value through profit or loss, held-to-maturity financial assets, loans and receivables and available-for-sale financial assets.

The Group only has loans and receivables and available-for-sale financial assets.

##### *Loans and receivables*

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise trade receivables, other receivables and cash and cash equivalents.

##### *Cash and cash equivalents*

Cash and cash equivalents comprise cash at banks, cash in hand and fixed deposits.

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## **NOTES TO THE FINANCIAL STATEMENTS – continued**

### **3. SIGNIFICANT ACCOUNTING POLICIES - continued**

#### **c) Financial instruments - continued**

##### *i) Non-derivative financial assets - continued*

###### *Available-for-sale financial assets*

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognised, the gain or loss accumulated in equity is reclassified to profit or loss.

Available-for-sale financial assets comprise unquoted equity securities which are stated at cost less impairment.

##### *ii) Non-derivative financial liabilities*

The Group initially recognises debt securities issued and subordinated liabilities on the date that they are originated. All other financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date, which is the date that the Group becomes a party to the contractual provisions of the instrument.

The Group derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Group classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Other financial liabilities comprise other payables and accruals.

For the purpose of current and non-current classification of financial assets and liabilities, anything receivable or payable within 12 months is classified as current.



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### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. SIGNIFICANT ACCOUNTING POLICIES – continued

##### d) Impairment

###### *Non-derivative financial assets*

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is any objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Group on terms that the Group would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the group, economic conditions that correlate with defaults or the disappearance of an active market for a security.

###### *Loans and receivables*

The Group considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred but not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

In assessing collective impairment, the Group uses historical trends of the probability of default, the timing of recoveries and the amount of loss incurred, adjusted for management's judgement as to whether current economic and credit conditions are such that the actual losses are likely to be greater or less than suggested by historical trends.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired asset continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

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## **NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

### **3. SIGNIFICANT ACCOUNTING POLICIES - continued**

#### **d) Impairment - continued**

##### *Non-financial assets*

The carrying amounts of the Group's non-financial assets, other than biological assets, investment property and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For goodwill, and intangible assets that have indefinite useful lives or that are not yet available for use, the recoverable amount is estimated each year at the same time. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Subject to an operating segment ceiling test, for the purposes of goodwill impairment testing, CGUs to which goodwill has been allocated are aggregated so that the level at which impairment testing is performed reflects the lowest level at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to groups of CGUs that are expected to benefit from the synergies of the combination.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to the CGU (groups of CGUs), and then to reduce the carrying amounts of the other assets in the CGU (groups of CGUs) on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. In respect of other assets, impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

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**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**3. SIGNIFICANT ACCOUNTING POLICIES – continued**

**d) Impairment - continued**

*Non-financial assets - continued*

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Goodwill that forms part of the carrying amount of an investment in an associate is not recognised separately, and therefore is not tested for impairment separately. Instead, the entire amount of the investment in an associate is tested for impairment as a single asset when there is objective evidence that the investment in an associate may be impaired.

**e) Leases**

Payments made under operating leases are recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Contingent lease payments are accounted for by revising the minimum lease payments over the remaining term of the lease when the lease adjustment is confirmed.

*Determining whether an arrangement contains a lease*

At inception of an arrangement, the Group determines whether such an arrangement is or contains a lease. This will be the case if the following two criteria are met:

- i) the fulfilment of the arrangement is dependent on the use of a specific asset or assets; and
- ii) the arrangement contains a right to use the asset(s).

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**3. SIGNIFICANT ACCOUNTING POLICIES – continued**

**e) Leases - continued**

At inception or upon reassessment of the arrangement, the Group separates payments and other consideration required by such an arrangement into those for the lease and those for other elements on the basis of their relative fair values. If the Group concludes for a finance lease that it is impracticable to separate the payments reliably, then an asset and a liability are recognised at an amount equal to the fair value of the underlying asset. Subsequently, the liability is reduced as payments are made and an imputed finance charge on the liability is recognised using the Group's incremental borrowing rate.

**f) 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. Revenue comprises the fair value of the consideration received or receivable for the sale of publications and rendering of services, net of goods and services tax, rebates and discounts. Revenue for the Group excludes transactions within the Group.

The following specific recognition criteria must also be met before revenue is recognised:

*Income from Publications*

Revenue comprises the invoiced value of publications.

*Services Rendered*

Revenue from services rendered is recognised in profit or loss when the services rendered have been completed and after eliminating sales within the Group.

*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.

*Rental Income*

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

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**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**3. SIGNIFICANT ACCOUNTING POLICIES – continued**

**f) Revenue recognition - continued**

*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.

*Dividend Income*

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

**g) 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.

**h) Investment in subsidiaries**

Investment in subsidiaries is stated at cost less any impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable value.

**i) Income tax**

Income tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable or receivable in respect of previous years.

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### **NOTES TO THE FINANCIAL STATEMENTS - continued**

#### **3. SIGNIFICANT ACCOUNTING POLICIES - continued**

##### **i) Income tax - continued**

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- Temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- Temporary differences related to investments in subsidiaries and jointly controlled entities to the extent that the Chamber is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- Temporary differences arising on the initial recognition of goodwill.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

In determining the amount of current and deferred tax, the Group takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Group believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience.

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**3. SIGNIFICANT ACCOUNTING POLICIES - continued**

**i) Income tax - continued**

This assessment relies on estimates and assumptions and may involve a series of judgements about future events. New information may become available that causes the Group to change its judgement regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

**j) Employee benefits**

*Defined contribution plan*

As required by law, the Group entities make contributions to the state pension scheme, Central Provident Fund ("CPF"). CPF contributions are recognised as compensation expense in the same period as the employment that gives rise to the contribution.

*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 under short-term employee benefits if the Group entities have 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.

*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.

**k) Provisions**

Provisions are recognised when the Group has a present obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits that can be reasonably estimated. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

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## **NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

### **3. SIGNIFICANT ACCOUNTING POLICIES - continued**

#### **i) Related parties**

A related party is defined as follows:

- (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 a 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 group (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 group of which the other entity is a member).
  - (iii) both entities are joint ventures of the same third party.
  - (iv) one entity is a joint venture of a third entity 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).

The balances between the Chamber and its subsidiaries are unsecured, interest-free and repayable on demand unless otherwise stated. Balances between the Chamber and its subsidiaries which have been eliminated on consolidation are not disclosed in the financial statements of the Group.



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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**4. PROPERTY, PLANT AND EQUIPMENT**

<u>Group</u>	<u>Leasehold property</u> S\$	<u>Furniture and fittings</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
<b>2015</b>					
<u>Cost</u>					
Beginning of the financial year	4,344,551	8,422	110,730	45,766	4,509,469
Additions	-	-	35,964	-	35,964
<b>End of the financial year</b>	<b>4,344,551</b>	<b>8,422</b>	<b>146,694</b>	<b>45,766</b>	<b>4,545,433</b>
<u>Accumulated depreciation</u>					
Beginning of the financial year	367,914	1,704	83,479	45,766	498,863
Charge for the financial year	48,893	2,321	19,216	-	70,430
<b>End of the financial year</b>	<b>416,807</b>	<b>4,025</b>	<b>102,695</b>	<b>45,766</b>	<b>569,293</b>
<u>Carrying value</u>					
<b>End of the financial year</b>	<b>3,927,744</b>	<b>4,397</b>	<b>43,999</b>	<b>-</b>	<b>3,976,140</b>
<b>2014</b>					
<u>Cost</u>					
Beginning of the financial year	4,344,551	2,122	92,805	45,766	4,485,244
Additions	-	6,300	19,144	-	25,444
Assets written off	-	-	(1,219)	-	(1,219)
<b>End of the financial year</b>	<b>4,344,551</b>	<b>8,422</b>	<b>110,730</b>	<b>45,766</b>	<b>4,509,469</b>
<u>Accumulated depreciation</u>					
Beginning of the financial year	319,641	1,308	74,716	45,766	441,431
Charge for the financial year	48,273	396	9,982	-	58,651
Assets written off	-	-	(1,219)	-	(1,219)
<b>End of the financial year</b>	<b>367,914</b>	<b>1,704</b>	<b>83,479</b>	<b>45,766</b>	<b>498,863</b>
<u>Carrying value</u>					
<b>End of the financial year</b>	<b>3,976,637</b>	<b>6,718</b>	<b>27,251</b>	<b>-</b>	<b>4,010,606</b>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**4. PROPERTY, PLANT AND EQUIPMENT - continued**

	<u>Furniture and fittings</u> S\$	<u>Office equipment</u> S\$	<u>Renovation</u> S\$	<u>Total</u> S\$
<b><u>Chamber</u></b>				
<b><u>2015</u></b>				
<b><u>Cost</u></b>				
Beginning of the financial year	2,122	44,914	20,038	67,074
Additions	-	30,742	-	30,742
<b>End of the financial year</b>	<b>2,122</b>	<b>75,656</b>	<b>20,038</b>	<b>97,816</b>
<b><u>Accumulated depreciation</u></b>				
Beginning of the financial year	1,529	34,802	20,038	56,369
Charge for the financial year	221	7,661	-	7,882
<b>End of the financial year</b>	<b>1,750</b>	<b>42,463</b>	<b>20,038</b>	<b>64,251</b>
<b><u>Carrying value</u></b>				
<b>End of the financial year</b>	<b>372</b>	<b>33,193</b>	<b>-</b>	<b>33,565</b>
 <b><u>2014</u></b>				
<b><u>Cost</u></b>				
Beginning of the financial year	2,122	37,899	20,038	60,059
Additions	-	8,234	-	8,234
Assets written off	-	(1,219)	-	(1,219)
<b>End of the financial year</b>	<b>2,122</b>	<b>44,914</b>	<b>20,038</b>	<b>67,074</b>
<b><u>Accumulated depreciation</u></b>				
Beginning of the financial year	1,308	32,876	20,038	54,222
Charge for the financial year	221	3,145	-	3,366
Assets written off	-	(1,219)	-	(1,219)
<b>End of the financial year</b>	<b>1,529</b>	<b>34,802</b>	<b>20,038</b>	<b>56,369</b>
<b><u>Carrying value</u></b>				
<b>End of the financial year</b>	<b>593</b>	<b>10,112</b>	<b>-</b>	<b>10,705</b>

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**NOTES TO THE FINANCIAL STATEMENTS - CONTINUED**

**4. PROPERTY, PLANT AND EQUIPMENT - continued**

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 2015 is S\$9,500,000 (2014 - S\$9,800,000) based on an independent valuers' valuation.

**5. INVESTMENT PROPERTY**

**Group and Chamber**

	<b><u>2015</u></b>	<b><u>2014</u></b>
	<b>S\$</b>	<b>S\$</b>
<b><u>Cost</u></b>		
Beginning and end of financial year	<b>1,135,863</b>	1,135,863
	<hr/>	<hr/>
<b><u>Accumulated depreciation</u></b>		
Beginning of the financial year	<b>681,238</b>	658,520
Charge for the year	<b>22,718</b>	22,718
	<hr/>	<hr/>
<b>End of financial year</b>	<b>703,956</b>	681,238
	<hr/>	<hr/>
<b><u>Carrying value</u></b>		
<b>End of financial year</b>	<b>431,907</b>	454,625
	<hr/>	<hr/>

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 property as at 31 December 2015 is S\$6,400,000 (2014 – S\$6,550,000) based on an independent valuers' valuation.

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## NOTES TO THE FINANCIAL STATEMENTS - continued

### 6. INVESTMENT

	<b>Group and Chamber</b>	
	<b>2015</b>	<b>2014</b>
	<b>S\$</b>	<b>S\$</b>
Unquoted equity shares at cost	300	300

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 Holdings Ltd, a company incorporated in Singapore.

### 7. INTEREST IN SUBSIDIARIES

INTEREST IN SUBSIDIARIES

		<u>2015</u> S\$	<u>2014</u> S\$
Investment – at cost		1,600,003	1,600,003
Due from SME Centre@SICCI Pte. Ltd.		131,000	131,000
		<u>1,731,003</u>	<u>1,731,003</u>

<u>Name of Company and place of incorporation</u>	<u>Principal activities of the subsidiary company</u>	<u>Cost</u>	<u>Percentage of holding</u>		
		<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> %	<u>2014</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	1,600,002	1,600,002	100	100
SME Centre@SICCI Pte. Ltd. - Singapore	To provide business management, consultancy and enterprise development services	1	1	100	100
		<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 and control of the entity is by the board of directors. Consequently, the above mentioned subsidiaries are controlled by the Chamber and are consolidated in these financial statements.

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## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS - CONTINUED

### 7. INTEREST IN SUBSIDIARIES - continued

The above mentioned subsidiaries are audited by MGI Menon & Associates.

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

### 8. TRADE RECEIVABLES

	<u>Group and Chamber</u>	
	<u>2015</u>	<u>2014</u>
	S\$	S\$
Third parties	<u>316,944</u>	<u>191,207</u>

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

The ageing analysis of trade receivables not impaired at the reporting date is as follows:

	<u>Group and Chamber</u>	
	<u>2015</u>	<u>2014</u>
	S\$	S\$
Trade receivables past due but not impaired:		
Not past due	82,925	8,654
Past due		
1 to 30 days	143,399	94,612
31 to 60 days	25,180	1,517
Over 60 days	65,440	86,424
	<u>316,944</u>	<u>191,207</u>

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

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**NOTES TO THE FINANCIAL STATEMENTS - continued**

**9. OTHER RECEIVABLES**

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Deposits	9,777	9,356	8,377	7,957
Others	-	847	-	578
	<u>9,777</u>	<u>10,203</u>	<u>8,377</u>	<u>8,535</u>
Grant receivable	993,384	-	-	-
Prepayments	1,054	10,507	8,560	7,593
	<u>1,004,215</u>	<u>20,710</u>	<u>16,937</u>	<u>16,128</u>

**10. CASH AND CASH EQUIVALENTS**

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Cash at banks	966,481	1,794,658	496,248	1,073,856
Cash in hand	8,287	8,204	6,927	6,844
Cheques for banking	41,630	18,155	41,630	-
	<u>1,016,398</u>	<u>1,821,017</u>	<u>544,805</u>	<u>1,080,700</u>
Fixed deposits	1,300,000	-	1,300,000	-
	<u>2,316,398</u>	<u>1,821,017</u>	<u>1,844,805</u>	<u>1,080,700</u>

Included within the Group's cash and cash equivalents is an amount of **S\$230,748** (2014: S\$586,238) 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.

# SINGAPORE INDIAN CHAMBER OF COMMERCE & INDUSTRY AND SUBSIDIARIES

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## NOTES TO THE FINANCIAL STATEMENTS - continued

### 11. TRADE PAYABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Accruals - Third parties	<u>41,435</u>	<u>174,030</u>	<u>22,847</u>	<u>143,174</u>

### 12. OTHER PAYABLES

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Third parties	47,614	44,261	47,614	44,261
Goods and services tax payable	49,915	17,981	47,620	15,130
Advance payment received	311,403	30,074	311,405	30,075
	<u>408,932</u>	<u>92,316</u>	<u>406,639</u>	<u>89,466</u>

### 13. BUILDING MAINTENANCE AND EDUCATION FUND

	<u>Group and Chamber</u>	
	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>
Beginning and end of financial year	<u>90,290</u>	<u>90,290</u>

### 14. REVENUE, OTHER INCOME AND EXPENSES

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b>Revenue:</b>				
Trade documentation	735,905	768,260	735,905	768,260
Membership subscription fees	303,715	336,356	303,715	336,356
Income from publications	134,644	58,612	143,204	58,612
Consultancy and events	202,427	1,138,049	202,427	1,138,049
Miscellaneous income	66,810	53,524	66,810	53,524
Grant from Spring Singapore	1,617,998	1,251,871	-	-
Administrative and consulting income from subsidiaries	-	-	52,897	24,000
	<u>3,061,499</u>	<u>3,606,672</u>	<u>1,504,958</u>	<u>2,378,801</u>

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**14. REVENUE, OTHER INCOME AND EXPENSES – continued**

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
<b>Other income:</b>				
SME cash rebate	-	6,120	-	6,120
Special employment credit	4,305	-	5,787	-
Cash payout	7,765	25,990	7,765	-
CPF board credit grant	14,111	-	1,765	-
Over accrued expenses	152,183	-	106,132	-
Wage credit scheme	59,132	28,656	29,322	17,234
Miscellaneous income	6,298	123	-	-
Consultancy and events	1,031	10,901	-	-
	<u>244,825</u>	<u>71,790</u>	<u>150,771</u>	<u>23,354</u>
<b>Other operating expenses include:</b>				
Depreciation	93,148	81,369	30,600	26,084
Events, marketing and membership	226,116	599,486	221,907	599,486
Printing, postage and stationery	45,850	41,765	33,105	35,678
Rental	-	-	48,000	48,000
	<u></u>	<u></u>	<u></u>	<u></u>
<b>Staff costs:</b>				
Staff salaries and bonus	1,057,206	1,006,131	508,846	568,143
Staff insurance	9,461	5,373	9,461	5,373
Staff training and welfare	10,807	4,562	3,635	2,636
Central provident fund contribution	142,009	138,684	56,348	72,374
	<u>1,219,483</u>	<u>1,154,750</u>	<u>578,290</u>	<u>648,526</u>
<b>Net income from investments:</b>				
Dividend income	-	10,200	-	10,200
Rental income	180,036	163,051	180,036	163,051
Property maintenance expenses	(37,825)	(36,848)	(37,825)	(36,848)
	<u>142,211</u>	<u>136,403</u>	<u>142,211</u>	<u>136,403</u>



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**15. RELATED PARTY BALANCES AND TRANSACTIONS**

The amount due from subsidiary represents mainly the advance made for the purchase of the Group's leasehold property (see Note 4).

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

<u>Related party transaction shown in the accounts as</u>	<u>Type of relationship between the Group and the related party</u>	<u>2015</u> S\$	<u>2014</u> S\$
<u>Expenses</u>			
Printing and stationery	Director related company	36,680	33,191

**Key Management Personnel Compensation**

	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$
	<u>Group</u>		<u>Chamber</u>	
Employment benefits	230,262	209,245	101,413	91,638

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

The key management personnel for the Group comprises the Executive Director, Deputy Director and 1 executive officer (2014 – Executive Director and 1 executive officer).

The key management personnel for the Chamber comprises the Executive Director and Deputy Director (2014 – Executive Director).

**16. INCOME TAX EXPENSE**

	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$
Current tax expense	138,610	98,132	64,582	70,131
Overprovision in prior year	(2,168)	(6,756)	(2,168)	(6,756)
Underprovision in prior year	1,902	6,547	-	-
	<u>138,344</u>	<u>97,923</u>	<u>62,414</u>	<u>63,375</u>

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**16. INCOME TAX EXPENSE – continued**

Reconciliation between tax expense and the product of profit before tax multiplied by the applicable tax rate is as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Profit before tax	<u>1,461,823</u>	<u>1,289,321</u>	<u>756,713</u>	<u>831,073</u>
Tax thereon at 17%	<u>248,510</u>	<u>219,185</u>	<u>128,641</u>	<u>141,282</u>
Effects of:				
- disallowable expenses	18,019	14,708	5,202	4,434
- non-taxable income	(4,039)	(3,602)	(4,039)	(1,734)
- capital allowances	(32,030)	(24,405)	(19,297)	(9,532)
- exempt income	(51,850)	(51,850)	(25,925)	(25,925)
- approved donations	-	(8,394)	-	(8,394)
- tax benefit recognised	-	(5,364)	-	-
- corporate tax rebate	(40,000)	(42,000)	(20,000)	(30,000)
- utilisation of tax losses	-	(146)	-	-
Overprovision in prior year	(2,168)	(6,756)	(2,168)	(6,756)
Underprovision in prior year	1,902	6,547	-	-
	<u>138,344</u>	<u>97,923</u>	<u>62,414</u>	<u>63,375</u>

**17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT**

**Accounting classifications and fair values**

*Fair values versus carrying amounts*

<u>Group</u>	<u>Note</u>	<u>Loans and</u> <u>receivables</u> <u>S\$</u>	<u>Available</u> <u>for sale</u> <u>S\$</u>	<u>Other</u> <u>financial</u> <u>liabilities</u> <u>S\$</u>	<u>Total</u> <u>carrying</u> <u>amount</u> <u>S\$</u>	<u>Fair</u> <u>value*</u> <u>S\$</u>
<u>2015</u>						
<u>Financial assets</u>						
Investment - equity securities	(7)	-	300	-	300	300
Trade receivables	(8)	316,944	-	-	316,944	316,944
Deposits	(9)	9,777	-	-	9,777	9,777
Cash and cash equivalents	(10)	2,316,398	-	-	2,316,398	2,316,398
		<u>2,643,119</u>	<u>300</u>	<u>-</u>	<u>2,643,419</u>	<u>2,643,419</u>

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**17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

**Accounting classifications and fair values - continued**

*Fair values versus carrying amounts - continued*

<u>Group</u>	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Available for sale</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<b><u>2015</u></b>						
<b><u>Financial liabilities</u></b>						
Trade payables	(11)	-	-	41,435	41,435	41,435
Other payables	(12)	-	-	47,614	47,614	47,614
		<u>-</u>	<u>-</u>	<u>89,049</u>	<u>89,049</u>	<u>89,049</u>
<b><u>2014</u></b>						
<b><u>Financial assets</u></b>						
Investment - equity securities	(7)	-	300	-	300	300
Trade receivables	(8)	191,207	-	-	191,207	191,207
Deposits	(9)	9,356	-	-	9,356	9,356
Cash and cash equivalents	(10)	1,821,017	-	-	1,821,017	1,821,017
		<u>2,021,580</u>	<u>300</u>	<u>-</u>	<u>2,021,880</u>	<u>2,021,880</u>
<b><u>Financial liabilities</u></b>						
Trade payables	(11)	-	-	174,030	174,030	174,030
Other payables	(12)	-	-	44,261	44,261	44,261
		<u>-</u>	<u>-</u>	<u>218,291</u>	<u>218,291</u>	<u>218,291</u>

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**17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

**Accounting classifications and fair values - continued**

*Fair values versus carrying amounts – continued*

<u>Chamber</u>	<u>Note</u>	<u>Loans and receivables</u> S\$	<u>Available for sale</u> S\$	<u>Other financial liabilities</u> S\$	<u>Total carrying amount</u> S\$	<u>Fair value*</u> S\$
<b>2015</b>						
<b><u>Financial assets</u></b>						
Investment - equity securities	(7)	-	300	-	300	300
Due from subsidiary		1,927,306	-	-	1,927,306	1,927,306
Trade receivables	(8)	316,944	-	-	316,944	316,944
Deposits	(9)	8,377	-	-	8,377	8,377
Cash and cash equivalents	(10)	1,844,805	-	-	1,844,805	1,844,805
		<u>4,097,432</u>	<u>300</u>	<u>-</u>	<u>4,097,732</u>	<u>4,097,732</u>
<b><u>Financial liabilities</u></b>						
Trade payables	(11)	-	-	22,847	22,847	22,847
Other payables	(12)	-	-	47,614	47,614	47,614
		<u>-</u>	<u>-</u>	<u>70,461</u>	<u>70,461</u>	<u>70,461</u>
<b>2014</b>						
<b><u>Financial assets</u></b>						
Investment - equity securities	(7)	-	300	-	300	300
Due from subsidiary		1,927,306	-	-	1,927,306	1,927,306
Trade receivables	(8)	191,207	-	-	191,207	191,207
Deposits	(9)	7,957	-	-	7,957	7,957
Cash and cash equivalents	(10)	1,080,700	-	-	1,080,700	1,080,700
		<u>3,207,170</u>	<u>300</u>	<u>-</u>	<u>3,207,470</u>	<u>3,207,470</u>
<b><u>Financial liabilities</u></b>						
Trade payables	(11)	-	-	143,174	143,174	143,174
Other payables	(12)	-	-	44,261	44,261	44,261
		<u>-</u>	<u>-</u>	<u>187,435</u>	<u>187,435</u>	<u>187,435</u>

\* Refer to Note 19 as to how fair values have been determined.

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**17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

*Financial risk management objectives and policies*

Exposure to credit, liquidity, interest rate and foreign currency risks arises in the normal course of the Group's business. The Group's overall business strategies, its tolerance of risk and its general risk management philosophy are determined by the management in accordance with prevailing economic and operating conditions.

The Group does not hold or issue derivative financial instruments for speculative purpose.

**Credit Risk**

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's trade and other receivables and cash at banks.

The Group extends credit only to creditworthy customers.

Cash at banks is placed with fully licensed banks in Singapore.

At the reporting date, the Group's and Chamber's maximum exposure to credit risk was as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>	<u>S\$</u>
Trade receivables	316,944	191,207	316,944	191,207
Deposits	9,777	9,356	8,377	7,957
Cash at banks	2,266,481	1,794,658	1,796,248	1,073,855
	<u>2,593,202</u>	<u>1,995,221</u>	<u>2,121,569</u>	<u>1,273,019</u>

**Liquidity Risk**

Liquidity risk is the risk of the Group being unable to secure adequate funding to meet current obligations. The liquidity risk is considered to be limited for the Group. The Group monitors its liquidity risk and maintains a level of cash and cash equivalents considered adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows.

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**17. FINANCIAL INSTRUMENTS AND FINANCIAL RISK MANAGEMENT - continued**

**Liquidity Risk - continued**

The following are the contractual maturities of the financial liabilities of the Group and of the Chamber:

	<b>Carrying amount S\$</b>	<b>Contractual cash flows S\$</b>	<b>Due within 1 year S\$</b>	<b>Total S\$</b>
<b><u>2015</u></b>				
Trade payables	41,435	41,435	41,435	41,435
Other payables	47,614	47,614	47,614	47,614
	<u>89,049</u>	<u>89,049</u>	<u>89,049</u>	<u>89,049</u>
<b><u>2014</u></b>				
Trade payables	174,030	174,030	174,030	174,030
Other payables	44,261	44,261	44,261	44,261
	<u>218,291</u>	<u>218,291</u>	<u>218,291</u>	<u>218,291</u>
<b><u>Chamber</u></b>				
<b><u>2015</u></b>				
Trade payables	22,847	22,847	22,847	22,847
Other payables	47,614	47,614	47,614	47,614
	<u>70,461</u>	<u>70,461</u>	<u>70,461</u>	<u>70,461</u>
<b><u>2014</u></b>				
Trade payables	143,174	143,174	143,174	143,174
Other payables	44,261	44,261	44,261	44,261
	<u>187,435</u>	<u>187,435</u>	<u>187,435</u>	<u>187,435</u>

It is not expected that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

**Market Risk**

As at reporting date, the Group does not have significant exposure to market risks such as interest rate fluctuation and foreign currency rate fluctuation risks.

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**18. CAPITAL MANAGEMENT - continued**

The primary objective of the Group's capital management is to ensure that it maintains a strong base so as to facilitate future development of business. Capital consists of accumulated funds and retained earnings.

There were no changes in the objectives, policies or processes of the Group during the financial year ended 31 December 2015 and 31 December 2014.

The Group is not subject to any externally imposed capital requirements for the financial year ended 31 December 2015 and 31 December 2014. The Group's overall strategy remains unchanged from 2014.

**19. DETERMINATION OF FAIR VALUES**

A number of the Group's accounting policies and disclosures require the determination of fair value, for both financial and non-financial assets and liabilities. Fair values have been determined for measurement and/or disclosure purposes based on the following methods. When applicable, further information about the assumptions made in determining fair values is disclosed in the notes specific to that asset or liability.

**Due from subsidiary**

It is not practicable to estimate the fair value of non-current amount due from subsidiary as there are no repayment terms and hence, the timing of future cash flows cannot be estimated reliably. However, the Chamber does not anticipate the carrying amount at the balance sheet date to be significantly different from the value that would eventually be received.

**Trade receivables, Other receivables, Cash and cash equivalents, Trade payables and Other payables**

The carrying amounts of these items approximate their respective fair values due to their relatively short-term nature.

**Investment property**

An independent valuer from an external valuation company, having appropriate recognised professional qualifications and recent experience in the location and category of property being valued, values the Group's investment property portfolio every year. The fair values are based on open market values, being the estimated amount for which a property could be exchanged on the date of the valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably.

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## NOTES TO THE FINANCIAL STATEMENTS - continued

### 19. DETERMINATION OF FAIR VALUES - continued

#### Equity securities

The fair value of unquoted equity securities was not determined and unquoted equity securities are stated at cost. The fair value of unquoted equity securities could not be determined as the investee company is unquoted and the relevant inputs to determine fair value are not available.

#### Fair value hierarchy

Details of the fair value hierarchy as at 31 December 2015 are as follows:

- **Level 1:** quoted prices (unadjusted) in active markets for identical assets or liabilities.
- **Level 2:** inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- **Level 3:** inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	<u>Level 1</u> S\$	<u>Level 2</u> S\$	<u>Level 3</u> S\$	<u>Total</u> S\$
Investment properties	-	6,400,000	-	6,400,000

### 20. 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 **S\$1,016,741** 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.



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**21. OPERATING LEASES**

**Leases as lessee**

Non-cancellable operating lease rentals for office equipment are payable as follows:

	<u>Group</u>		<u>Chamber</u>	
	<u>2015</u> S\$	<u>2014</u> S\$	<u>2015</u> S\$	<u>2014</u> S\$
Within one year	19,968	19,968	4,380	4,380
Between two and five years	30,251	50,219	12,065	16,445
	<u>50,219</u>	<u>70,187</u>	<u>16,445</u>	<u>20,825</u>

**Leases as lessor**

The Group leases out its investment property (see Note 5). The future minimum lease receivables under non-cancellable leases are as follows:-

	<u>Group and Chamber</u>	
	<u>2015</u> S\$	<u>2014</u> S\$
Within one year	183,433	163,052
Between two and five years	30,572	27,175
	<u>214,005</u>	<u>190,227</u>

During the year, **S\$180,036** (2014 - S\$163,051) was recognised as rental income in the statement of comprehensive income by the Group. Direct property expenses, recognised in net income from investments and bank deposits, amounted to **S\$37,825** (2014 - S\$36,848).

**22. CONTINGENT LIABILITIES AND COMMITMENTS**

As at reporting date, the Group had no capital commitments or contingent liabilities (2014 – Nil).