

S.E.A. PETROLEUM EXPLORATION SOCIETY
(Registered under the Societies Act)
(Registration No.: S73SS0042H)

AUDITED FINANCIAL STATEMENTS
For the year ended 30 September 2016

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S.E.A. PETROLEUM EXPLORATION SOCIETY
(Registered under the Societies Act)
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STATEMENT BY COUNCIL
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

The Council is pleased to submit this statement to the members together with the audited financial statements of S.E.A. Petroleum Exploration Society (the "Society") for the year ended 30 September 2016.

COUNCIL

The office bearers of the Council at the date of this report are as follows:

Ian Cross	President
Nick Comrie-Smith	1 st Vice President
John Whitcomb	2 nd Vice President
Chester Chua Ling Chuan	Treasurer
Jean-Yves Beninger	Secretary
Bill Lafferrandre	Councilor
Chris Howells	Councilor
Derrick McClure	Councilor
Andy Butler	Councilor
Mark Lewis	Councilor
Jo McArdle	Councilor
Samiullah Mohammad Khan	Councilor
Shankar Krishnan	Councilor


OPINION OF THE COUNCIL

In the opinion of the Council, the accompanying financial statements of the Society are drawn up so as to give a true and fair view of the financial position of the Society as at 30 September 2016 and the financial performance, changes in funds and cash flows of the Society for the year ended 30 September 2016.

On behalf of the Council



IAN CROSS
President


CHESTER CHUA LING CHUAN
Treasurer

Singapore
29.06.2017

STONE RAY & ASSOCIATES

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF S.E.A. PETROLEUM EXPLORATION SOCIETY

Report on the Financial Statements

We have audited the accompanying financial statements of S.E.A. PETROLEUM EXPLORATION SOCIETY, which comprise the statement of financial position as at 30 September 2016, and the statement of financial activities, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 3 to 26.

Management's Responsibility 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 Societies Act, Chapter 311 (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.

Auditors' Responsibility

Our responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of 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 financial statements.

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

Opinion

In our opinion, the financial statements 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 Society as at 30 September 2016 and the financial performance, changes in funds and cash flows of the Society for the year ended on that date.

Other matter

The financial statements for the year ended 30 September 2016 were audited by another firm of Public Accountants and Chartered Accountants who expressed an unmodified opinion on those financial statements on 10 March 2016.

Report on Other Legal and Regulatory Requirements

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


STONE RAY & ASSOCIATES
Public Accountants and Chartered Accountants
Singapore
29.06.2017

S.E.A. PETROLEUM EXPLORATION SOCIETY
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STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 S\$	2015 S\$
ASSETS			
NON-CURRENT ASSETS			
Equipment	4	<u>6,604</u>	<u>11,663</u>
CURRENT ASSETS			
Trade and other receivables	5	134,253	142,368
Cash and cash equivalents	6	<u>674,543</u>	<u>892,415</u>
		<u>808,796</u>	<u>1,034,783</u>
TOTAL ASSETS		<u><u>815,400</u></u>	<u><u>1,046,446</u></u>
FUNDS AND LIABILITIES			
FUNDS			
Accumulated funds		<u>721,667</u>	<u>998,839</u>
TOTAL ACCUMULATED FUNDS		<u>721,667</u>	<u>998,839</u>
CURRENT LIABILITIES			
Trade and other payables	7	21,888	26,153
Deferred income	8	<u>71,845</u>	<u>21,454</u>
		<u>93,733</u>	<u>47,607</u>
TOTAL LIABILITIES		<u>93,733</u>	<u>47,607</u>
TOTAL FUNDS AND LIABILITIES		<u><u>815,400</u></u>	<u><u>1,046,446</u></u>

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

S.E.A. PETROLEUM EXPLORATION SOCIETY
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STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 S\$	2015 S\$
INCOME			
Membership		53,233	95,912
Merchandise sales		47	640
Corporate sponsorship		147,500	179,500
Press advertisement		12,352	35,550
Golf tournament		2,240	-
Forum and talks		48,460	16,321
SEAPEX Exploration Conference		(6,188)	1,057,596
Discretionary spending		2,092	138,048
Asia-Pacific Scout Check		21,028	28,528
Miscellaneous		10,379	11,779
Grant from Singapore Tourism Board		17,072	-
Fixed deposits interest		2,757	2,552
Total income		<u>310,972</u>	<u>1,566,426</u>
LESS: EXPENDITURE			
Forum and talk expenses		102,097	86,590
SEAPEX Exploration Conference		8,398	776,756
Discretionary spending		93,340	226,253
Introduction course		5,176	12,156
Golf tournament		2,341	-
SEAPEX press costs		56,732	71,540
Asia-Pacific Scout Check		33,886	33,107
Administrative costs	9	<u>286,174</u>	<u>409,371</u>
Total expenditure		<u>588,144</u>	<u>1,615,773</u>
Net deficit before taxation		(277,172)	(49,347)
Taxation		<u>-</u>	<u>-</u>
Net deficit for the year		<u>(277,172)</u>	<u>(49,347)</u>

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

S.E.A. PETROLEUM EXPLORATION SOCIETY
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STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Accumulated Fund SS
As at 1 October 2014	1,048,186
Net deficit for the year	<u>(49,347)</u>
As at 30 September 2015	998,839
Net deficit for the year	<u>(277,172)</u>
As at 30 September 2016	<u><u>721,667</u></u>

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

S.E.A. PETROLEUM EXPLORATION SOCIETY
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STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 SEPTEMBER 2016

	Note	2016 S\$	2015 S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Net deficit before taxation		(277,172)	(49,347)
Adjustments for:			
Depreciation of equipment		5,059	4,378
Fixed deposits interest		<u>(2,757)</u>	<u>(2,552)</u>
Operating deficit before working capital changes		(274,870)	(47,521)
Other receivables		8,115	186,199
Other payables		(4,265)	(3,516)
Deferred income		<u>50,391</u>	<u>(250,290)</u>
Net cash used in operating activities		<u>(220,629)</u>	<u>(115,128)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		2,757	2,552
Purchase of equipment		<u>-</u>	<u>(3,710)</u>
Net cash from/ (used in) investing activities		<u>2,757</u>	<u>(1,158)</u>
CASH FLOWS FROM FINANCING ACTIVITIES			
		-	-
Net decrease in cash and cash equivalents		(217,872)	(116,286)
Cash and cash equivalents at beginning of the year		<u>892,415</u>	<u>1,008,701</u>
Cash and cash equivalents at end of the year	6	<u><u>674,543</u></u>	<u><u>892,415</u></u>

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

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

1 GENERAL

S.E.A. Petroleum Exploration Society (the “Society”) is a society registered in Singapore under the Societies Act, Cap. 311.

The Society is a non-profit organisation with the following objectives:

- To advance the science of geology and related earth sciences, with particular emphasis on petroleum and natural gas exploration, development and production in Southeast Asia;
- To foster the spirit of scientific research throughout its membership;
- To promote technologies for finding, developing and producing hydrocarbons;
- To disseminate information relating to petroleum geoscience;
- To inspire a high standard of professional conduct on the part of its members; and
- To act as a body to improve the awareness of oil and gas industry issues in the community.

The registered office is located at 20 Upper Circular Road, The River Walk #01-06, Singapore 058416. The Society is situated in Singapore.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 BASIS OF REPARATION

The financial statements have been drawn up in accordance with the Societies Act and Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared on the historical cost basis.

The functional currency is Singapore Dollar as it reflects the primary economic environment in which the entity operates.

The financial statements are presented in Singapore Dollar (S\$), which is in the functional currency.

2.2 ADOPTION OF NEW AND REVISED STANDARDS

The accounting policies adopted are consistent with those of the previous reporting period except in the current reporting period, the Society has adopted all the new and revised standards which are relevant to the Society and are effective for reporting periods beginning on or after 1 October 2015. The adoption of these standards did not have any material effect on the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

2.3 STANDARDS ISSUED BUT NOT YET EFFECTIVE

A number of new standards, amendments to standards and interpretations are issued but not yet effective for annual periods beginning on or after 1 October 2015, and have not been applied in preparing these financial statements. The Society 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 1: Amendments to FRS 1: Disclosure Initiative	1 January 2016
Amendments to FRS 16 and FRS 38: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016

The Council expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application.

2.4 EQUIPMENT

All items of equipment are initially recorded at cost. Subsequent to recognition, equipment are measured at cost less accumulated depreciation and any accumulated impairment loss. The cost of 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 Council.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	<u>Useful lives</u>
Computer and software	3 years
Office equipment	3 years
Furniture and fittings	3 years
Website	5 years

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

The Society assesses at each reporting period 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 Society 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

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.

2.6 FINANCIAL INSTRUMENTS

i) Financial Assets

Initial recognition and measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

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.

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

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

De-recognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that 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 Society becomes a party to the contractual provisions of the financial instrument. The Society 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.

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.

Such financial liabilities comprise trade and other payables.

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.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

2.7 IMPAIRMENT OF FINANCIAL ASSETS

The Society assessed at each reporting period 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 Society 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 Society 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.

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 Society considers factors such as the profitability 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.

2.8 CASH AND CASH EQUIVALENTS

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

2.9 PROVISIONS

Provisions are recognised when the Society 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.

2.10 GOVERNMENT GRANTS

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants in recognition of specific expenses are recognized as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

2.11 EMPLOYEE BENEFITS

i) Defined Contribution Plans

The Society makes contribution 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.

ii) 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 Society 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.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

2.12 REVENUE RECOGNITION

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Society 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.

i) Members' Subscriptions

Income received from subscriptions is recognized on a straight line basis over the term of the membership.

ii) Sponsorship and events

Revenue from sponsorship is recognized on a receipt basis. Revenue from events and activities is recognized when the event and activities has occurred and completed.

iii) Interest Income

Interest income is recognised on a time proportion basis using the effective interest method.

2.13 OPERATING LEASE COMMITMENT

Operating lease payments are recognised as an expense in 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.

3 SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Society's financial statements requires the Society 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 those assumption and estimates could result in outcomes that require a material adjustment to the carrying amount of asset or liability affected in the future periods.

3.1 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 Society 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 Society. Such changes are reflected in the assumptions when they occur.

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NOTES TO THE FINANCIAL STATEMENTS
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i) Useful Lives Of Equipment

The useful life of an item of 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 Society's equipment is disclosed in Note 4 to the financial statements.

ii) Impairment Of Loans And Receivables

The impairment of trade and other receivables is based on the ageing analysis and the Society's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, the Society 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 Society's trade and other receivables is disclosed in Note 5 to the financial statements.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

4 EQUIPMENT

	Computer & software S\$	Furniture & fittings S\$	Office equipment S\$	Website S\$	Total S\$
<u>Cost</u>					
At 1 October 2015	6,026	8,065	1,550	8,000	23,641
Additions	-	-	-	-	-
Disposals	-	-	-	-	-
At 30 September 2016	6,026	8,065	1,550	8,000	23,641
<u>Accumulated depreciation</u>					
At 1 October 2015	2,969	4,607	1,335	3,067	11,978
Charge for the year	2,008	1,236	215	1,600	5,059
Disposals	-	-	-	-	-
At 30 September 2016	4,977	5,843	1,550	4,667	17,037
Carrying amounts	1,049	2,222	-	3,333	6,604
<u>Cost</u>					
At 1 October 2014	6,026	4,355	1,550	8,000	19,931
Additions	-	3,710	-	-	3,710
Disposals	-	-	-	-	-
At 30 September 2015	6,026	8,065	1,550	8,000	23,641
<u>Accumulated depreciation</u>					
At 1 October 2014	960	4,355	818	1,467	7,600
Charge for the year	2,009	252	517	1,600	4,378
Disposals	-	-	-	-	-
At 30 September 2015	2,969	4,607	1,335	3,067	11,978
Carrying amounts	3,057	3,458	215	4,933	11,663

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

5 TRADE AND OTHER RECEIVABLES

	2016	2015
	S\$	S\$
Trade receivables	34,865	128,886
Other receivables	555	-
Deposits paid	839	839
Prepayments	97,994	12,643
	<u>134,253</u>	<u>142,368</u>

Trade receivables are non-interest bearing and is generally on 30 day's term.

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

Receivables that are past due but not impaired

The Society had trade receivables amounting to S\$34,865 (2015: S\$128,886) 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:

	2016	2015
	S\$	S\$
Trade receivables past due but not impaired:		
Lesser than 30 days	15,260	33,341
31 to 60 days	-	4,760
61 to 90 days	2,930	840
More than 90 days	16,675	89,945
	<u>34,865</u>	<u>128,886</u>

Trade and other receivables are denominated in Singapore Dollar.

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2016

6 CASH AND CASH EQUIVALENTS

	2016	2015
	S\$	S\$
Cash at bank	471,943	490,040
Fixed deposits	202,600	402,375
	<u>674,543</u>	<u>892,415</u>

The interest rates of the fixed deposits with licensed banks at the reporting date is 0.50% (2015: 0.15%-0.50%) per annum.

The fixed deposits have a maturity period of 18 months (2015: 18 months).

The cash and cash equivalents are denominated in Singapore Dollar.

7 TRADE AND OTHER PAYABLES

	2016	2015
	S\$	S\$
Sundry payables	6,327	13,579
GST payables	2,250	603
Deposits received	3,500	4,694
Accrued expenses	9,811	7,277
	<u>21,888</u>	<u>26,153</u>

Trade and other payables are denominated in Singapore Dollar.

8 DEFERRED INCOME

Deferred income relates to membership fees, income from events and activities received/receivable for period 2016/2017.

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9 ADMINISTRATIVE EXPENSES

	2016 S\$	2015 S\$
Audit fee	4,000	2,200
Bad debts written off	14,000	16,584
Bank charges	6,167	37,167
Bookkeeping fee	5,400	5,150
Central Provident Fund	19,090	13,206
Cleaning expenses	4,160	4,160
Council meetings	3,682	4,315
Courier and postage	5,949	8,083
Course fee	350	-
Database and website management	19,584	16,993
Depreciation of equipment	5,059	4,377
Donations	-	106,000
Entertainment and refreshment	1,727	3,872
Exchange differences	-	2,670
Insurance	14,532	11,584
IT support	801	800
Late fees	164	5
Low value assets written off	-	92
Miscellaneous expenses	203	811
Office rental	27,600	27,600
Printing and stationery	1,783	9,605
Professional fees	1,000	-
Rental of copier	3,770	3,190
Repair and maintenance	987	2,360
Skill Development Levy	192	192
Staff salaries and bonus	131,935	105,825
Staff welfare	104	9,074
Storage	1,148	-
Subscription fee	132	-
Tax fee	1,000	1,000
Telecommunications	6,906	5,113
Transportation	787	1,304
Training fee	-	456
Travelling	3,362	4,983
Utilities	600	600
	<u>286,174</u>	<u>409,371</u>

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10 INCOME TAX

	2016 S\$	2015 S\$
Current year income tax	<u>-</u>	<u>-</u>

A reconciliation between tax expense and the product of book surplus multiplied by the applicable statutory tax rate for the years ended 30 September 2016 and 2015 were as follows:

	2016 S\$	2015 S\$
Surplus before taxation	<u>(277,471)</u>	<u>(49,347)</u>
Income tax using the statutory tax rate of 17% (2015: 17%)	(47,170)	(8,389)
Adjustments:		
Non-taxable income	(37,596)	(30,653)
Non-deductible expenses	78,057	18,508
Deferred tax assets not recognised	<u>6,709</u>	<u>20,534</u>
Income tax expense recognised in profit or loss	<u>-</u>	<u>-</u>

Deferred income tax assets have not been recognised due to the unpredictability of future surplus stream. The Society has unrecognised tax losses and donations of S\$153,309 (2015: S\$ 120,794) and S\$343,100 (2015: S\$343,100) respectively at the reporting date which can be carried forward and used to offset against future taxable income.

11 OPERATING LEASE COMMITMENTS

The Society leases office under non-cancellable operating lease agreements. These leases have varying terms, escalation clauses and renewal rights.

The future minimum rental payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	2016 S\$	2015 S\$
Not later than one year	28,200	28,200
Later than one year but not later than five years	55,225	-
Later than five years	<u>-</u>	<u>-</u>
	<u>83,425</u>	<u>28,200</u>

Minimum lease payments recognised as an expense in profit or loss for the financial year ended at 30 September 2016 amounted S\$27,600 (2015: S\$27,600).

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12 OTHER COMMITMENTS

	2015	2014
	S\$	S\$
Commitment on food & beverages and venue rental of conference and seminar	<u>264,610</u>	<u>-</u>

13 FINANCIAL RISK MANAGEMENT

The main risks arising from the Society's financial instruments are liquidity risk, credit risk and interest risk. The policies for managing each of these risks are summarized as follows:

13.1 CREDIT RISK

Credit risk arises mainly from the risk on counterparties defaulting on the terms of their agreements. The carrying amounts of trade and other receivables and cash and cash equivalents represent the Society's maximum exposure to credit risk in relation to financial assets.

The Society monitors the exposure to credit risk on an ongoing basis. The credit risk on balances of cash and cash equivalents is low as these balances are placed with a reputable bank.

13.2 LIQUIDITY RISK

Liquidity risk is the risk that the Society will encounter difficulty in meeting financial obligations due to shortage of funds.

The Society manages its operating cash flows and the availability of funding so as to ensure that a sufficient level of cash and cash equivalents is maintained to meet its working capital requirement.

All financial liabilities of the Society are repayable on demand or matured with one year.

13.3 INTEREST RATE RISK

Interest rate risk is the risk that the fair value or future cash flows of the Society's financial instruments will fluctuate because of changes in market interest rates.

The Society does not have any interest-bearing financial liabilities. Its only exposure to changes in interest rates relates to interest-earning bank deposits. The Council monitors movement in interest rates to ensure deposits are placed with financial institutions offering optimal rates of return.

The interest rates and terms of maturity of financial assets of the Society are disclosed in Note 6 to the financial statements.

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14 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, trade and other receivables and trade and other payables

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

15 FINANCIAL INSTRUMENTS BY CATEGORY

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

	2016	2015
	S\$	S\$
Loans and receivables		
Trade and other receivables	36,259	129,725
Cash and cash equivalents	674,543	892,415
Total loans and receivables	<u>710,802</u>	<u>1,022,140</u>
Financial liabilities measured at amortised cost		
Trade and other payables	21,888	26,153
Total financial liabilities measured at amortised cost	<u>21,888</u>	<u>26,153</u>

16 AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 30 September 2016 were authorised for issue in accordance with Statement by Council on 29.06.2017.