THE ECONOMIC SOCIETY OF SINGAPORE
Society Reference No.: 0219/1956
(A registered society in Singapore)

AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

MAZARS LLP
Public Accountants and
Chartered Accountants
Singapore

THE ECONOMIC SOCIETY OF SINGAPORE

AUDITED FINANCIAL STATEMENTS
FINANCIAL YEAR ENDED 31 DECEMBER 2016

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INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE OF THE ECONOMIC SOCIETY OF SINGAPORE

Report on the financial statements

Opinion

We have audited the accompanying financial statements of The Economic Society of Singapore ("the Society") which comprise the statement of financial position as at 31 December 2016, the income and expenditure account and the receipts and payments account for the year then ended and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Society as at 31 December 2016 and income and expenditures accounts and the receipts and payments account for the year ended on that date.

Basis for Opinion

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

Responsibilities of the Executive Committee for the Financial Statements

The Executive Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The Executive Committee's responsibilities include overseeing the Society's financial reporting process.

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Chartered Accountants of Singapore

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Committee.

- Conclude on the appropriateness of the Executive Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Executive Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

MAZARS

INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE OF THE ECONOMIC SOCIETY OF SINGAPORE

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.

MAZARS LLP
Public Accountants and
Chartered Accountants

Singapore

7 March 2017

THE ECONOMIC SOCIETY OF SINGAPORE

INCOME AND EXPENDITURE ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	Note	2016 S$	2015 S$
INCOME			
Subscriptions		103,144	117,450
Annual dinner contributions		73,430	89,040
Seminars contribution		25,123	94,836
Dividend income		10,241	7,060
Contribution for essay competition		6,000	6,000
Outstanding Economics Teacher Award		4,000	-
Royalty income		65	25
Others		2,101	106
		224,104	314,517
EXPENDITURE			
Audit fees		4,600	4,843
AGM expenses		3,303	2,821
Bank charges		10	10
Communication charges		4,483	5,393
Depreciation		210	210
Economic bulletin expenses		8,000	-
ESS website charges		2,302	1,455
Essay competition		6,537	6,413
Expenses for Outstanding Economics Teacher Award		5,381	-
Expenses for annual dinner		84,613	94,771
Gold medals and prizes		950	810
Meeting expense		5,270	5,452
Miscellaneous expenses		584	813
Professional fee		56,700	48,300
Postage and faxes		77	321
Printing and stationery		1,933	1,324
Purchases of "Singapore Economic Review"		4,406	5,326
Society forum, public lectures and seminars expenses		36,306	98,884
Transportation		208	693
		(225,873)	(277,839)
(Deficit)/Surplus for the year before income tax		(1,769)	36,678
Income tax expense	4	(1,121)	-
(Deficit)/Surplus for the year representing total comprehensive income for the year		(2,890)	36,678

THE ECONOMIC SOCIETY OF SINGAPORE

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2016

	Note	2016 S$	2015 S$
CURRENT ASSETS			
Other receivable and prepayments	5	7,524	12,880
Cash and cash equivalents	6	220,178	203,862
		227,702	216,742
CURRENT LIABILITIES			
Deferred income – subscription		56,591	42,049
Other payable and accruals		4,000	6,100
		60,592	48,149
NET CURRENT ASSETS		167,111	168,593
NON-CURRENT ASSETS			
Equipment	7	419	629
Available-for-sale financial assets	8	217,078	212,515
		217,497	213,144
NON-CURRENT LIABILITY			
Deferred income-subscription		10,933	9,735
NET ASSETS		373,675	372,002
Represented by:			
Accumulated fund	9	237,849	240,739
Available-for-sale reserve	10	76,104	71,541
Life subscription	11	59,722	59,722
		373,675	372,002

Certified Correct

Professor Euston Quah
(President)

Date: 07 MAR 2017

Professor Chew Soon Beng
(Hon Treasurer)

Date: 07 MAR 2017

THE ECONOMIC SOCIETY OF SINGAPORE

RECEIPTS AND PAYMENTS ACCOUNT
FOR THE YEAR ENDED 31 DECEMBER 2016

	2016 S$	2015 S$
BALANCE AS AT 1 JANUARY		
Cash in hand	512	-
Cash at bank – DBS	203,350	166,704
	203,862	166,704
RECEIPTS		
Subscriptions	118,884	121,700
Annual dinner contributions	71,230	86,240
Contribution for essay competition	6,000	6,000
Royalty	65	25
Society Forum, Public Lectures and Seminars Contribution	28,904	95,556
Dividend income	7,717	7,060
Outstanding Economics Teacher Award	4,000	-
Others	-	106
	236,800	316,687
PAYMENTS		
Audit fees	4,600	4,643
AGM expenses	3,303	2,821
Bank charges	10	10
Communication charges	4,483	5,393
Economics bulletin	8,000	-
ESS website charges	2,302	1,455
Essay competition	6,537	6,413
Expenses for annual dinner	84,613	94,771
Expenses for Outstanding Economics Teacher Award	5,381	-
Gold medals and prizes	950	810
Meeting expenses	5,270	5,452
Miscellaneous expenses	584	813
Postage and faxes	77	321
Printing and stationery	1,933	1,324
Professional fee	50,400	50,400
Purchases of "Singapore Economic Review"	4,406	5,326
Society forum, public lectures and seminars expenses	36,306	98,884
Transportation	208	693
Tax paid	1,121	-
	220,484	279,529
BALANCE AS AT 31 DECEMBER		
Cash in hand	258	512
Cash at bank – DBS	219,920	203,350
	220,178	203,862

1. General

The Economic Society of Singapore ("the Society") is a non-profit organisation of economists and other professionals interested in economics. The Society comprises members of the economics profession in academic, the government and business sectors and provides a platform for discussions on issues facing the Singapore economy and the region. The primary objective of the Society is to raise public awareness, and stimulate public interest and debate, in economic issues. It does this by organising conferences, talks workshops and public lectures and by conducting studies on issues, either on its own or in partnership with other organisations.

The registered office and principal place of operations of the Society is at National University of Singapore, Department of Economics, 1 Arts Link, Singapore 117570.

The financial statements of the Society for the financial year ended 31 December 2016 were authorised for issue by the Executive Committee on 7 March 2017.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial statements have been drawn up in accordance with the Societies Act and Singapore Financial Reporting Standards ("FRS") including related Interpretations of FRS ("INT FRS") and are prepared on the historical cost basis, except as disclosed in the accounting policies below.

The Society's financial statements are measured and presented in the currency of the primary economic environment in which the Society operates (its functional currency). The financial statements of the Society are presented in Singapore dollar ("$") which is also the functional currency of the Society.

In the current financial year, the Society has adopted all the new and revised FRS and 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 did not result in changes to the Society's accounting policies and has no material effect on the amounts reported for the current or prior years.

2. Summary of significant accounting policies

(a) Basis of preparation

FRS and INT FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS and INT FRS were issued but not yet effective:

		Effective date (annual periods beginning on or after)
FRS 7	Amendments to FRS 7: Disclosure Initiative	1 January 2017
FRS 12	Amendments to FRS 12: Recognition of Deferred Tax Assets for Unrealised Losses	1 January 2017
FRS 40	Amendments to FRS 40: Transfers of Investment Property	1 January 2018
FRS 102	Amendments to FRS 102: Classification and Measurement of Share-based Payment Transactions	1 January 2018
FRS 104	Amendments to FRS 104: Applying FRS 109 Financial Instruments to FRS 104 Insurance Contracts	1 January 2018
FRS 109	Financial Instruments	1 January 2018
FRS 110, FRS 28	Amendments to FRS 110 and FRS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 115	Amendments to FRS 115: Effective Date of FRS 115	1 January 2018
FRS 115	Amendments to FRS 115: Clarifications to FRS 115 Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019
Various	Improvements to FRSs (December 2016)	Various
INT FRS 122	Foreign Currency Transactions and Advance Consideration	1 January 2018

Consequential amendments were also made to various standards as a result of these new/revised standards.

The Society have not adopted any of the above new/revised standards, interpretations and amendments to the existing standards in the financial year ended 31 December 2016. Other than the following standards, management anticipates that the adoption of the abovementioned revised/new standards will not have a material impact on the financial statements of the Society in the period of their initial adoption.

FRS 109 Financial Instruments

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

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

2. Summary of significant accounting policies

(a) Basis of preparation

FRS 109 Financial Instruments (Continued)

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

Financial assets are classified into financial assets measured at (i) fair value through profit or loss; (ii) amortised cost; or (iii) fair value through other comprehensive income, depending on the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, or as otherwise designated as such upon initial recognition, if allowed.

Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the entity will have a choice to recognise the gains and losses in other comprehensive income if the financial assets are measured at fair value through other comprehensive income.

There have been no changes in the de-recognition requirements of financial assets and liabilities, nor the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch.

A new forward-looking impairment model based on expected credit losses, which replaces the incurred loss model in FRS 39, determines the recognition of impairment provisions as well as interest revenue. An entity will recognise (at a minimum of) 12 months of expected credit losses in profit or loss for financial assets measured at amortised cost or fair value through other comprehensive income, unless in the circumstance when there is a significant increase in credit risk after initial recognition which requires the entity to recognise lifetime expected credit losses on the affected assets.

The Society does not intend to early adopt FRS 109. The Society is still assessing the potential impact of FRS 109 on its financial statements in the initial year of adoption.

FRS 115 Revenue from Contracts with Customers

FRS 115 supersedes FRS 11 Construction contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for the Construction of Real Estate, INT FRS 118 Transfers of Assets from Customers and INT FRS 31 Revenue – Barter Transactions Involving Advertising Services to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer.

Entities are required to adopt a five-step model which requires (i) their identification of the contract; (ii) their identification of the performance obligations in the contract; (iii) the determination of; (iv) allocation of the transaction price; and (v) recognition of revenue when (i.e. at a point in time) or as (i.e. over time) each performance obligation is satisfied.

2. Summary of significant accounting policies

(a) Basis of preparation

FRS 115 Revenue from Contracts with Customers (Continued)

The core principle is that an entity recognises revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration which the entity expects to be entitled in exchange for those goods or services.

The Society does not intend to early adopt FRS 115. The Society is still assessing the potential impact of FRS 115 on its financial statements in the initial year of adoption.

FRS 116 Leases

FRS 116 supersedes FRS 17 Lease, INT FRS 104 Determining whether an Arrangement contains a Lease, INT FRS 15 Operating Leases – Incentives, and INT FRS 27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease to set out the principles for the recognition, measurement, presentation and disclosure of leases. The changes introduced by FRS 116 will primarily affect the financial statements of the lessees.

FRS 116 requires, with limited exceptions, the lessee to recognise, at initial recognition, lease liabilities, measured at the present value of lease payments that are not paid as of that date to reflect the present value of the future lease payments, and right-of-use assets at cost, comprising elements including the amount of the initial measurement of the lease liabilities, initial direct costs incurred by the lessee and estimates of other contracted costs to be incurred by the lessee, for its lease contracts. Leases of "low-value" assets and qualifying short term leases entered into by lessees can be exempted from the new recognition criteria.

The Society does not intend to early adopt FRS 116. The Society is still assessing the potential impact of FRS 116 on its financial statements in the initial year of adoption.

(b) Income recognition

Provided it is probable that the economic benefits will flow to the Society and the revenue and costs, if applicable, can be measured reliably, revenue is recognised in the profit and loss account as follows:

(i) Subscription and contributions revenue

Revenue from membership renewals are recognised on a straight-line basis over the membership period.

(ii) Dividend income

Dividend income is recognised when the right to receive payment is established.

(iii) *Events*

Revenue from events is recognised when the event is held. Collected amounts for events which are not yet held at the end of reporting period is recognised as deferred income and included in trade and other payables.

2. Summary of significant accounting policies

(c) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus as reported income and expenditure account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Society's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable surplus, and are accounted for using the liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable surpluses will be available against which deductible temporary differences can be utilised.

A deferred income tax asset is recognised to the extent that it is probable that future taxable surplus will be available against which the deductible temporary differences and tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable surpluses will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year and based on the tax consequence that will follow from the manner in which the Society expects, at the end of the financial year, to recover or settle the carrying amounts of its assets and liabilities. Deferred tax is charged or credited to income and expenditure account, except when it relates to items charged or credited directly to accumulated fund, in which case the deferred tax is also dealt with in accumulated fund.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Society intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in income and expenditure account, except when they relate to items credited or debited directly to accumulated fund.

2. Summary of significant accounting policies

(d) Equipment

Equipment are stated at cost less accumulated depreciation and any accumulated impairment losses. 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 the Executive Committee. Dismantlement, removal or restoration costs are included as part of the cost of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the equipment.

Subsequent expenditure relating to the equipment is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in income and expenditure account when incurred.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following bases:

- Computer equipment 20%

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

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

The gain or loss, being the difference between the sales proceeds and the carrying amount of the asset, arising on disposal or retirement of an item of equipment is recognised in income and expenditure account.

Fully depreciated equipment are retained in the financial statements until they are no longer in use.

(e) Impairment of tangible assets

The Society reviews the carrying amounts of its tangible assets as at each reporting date to assess for any indication of impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Society estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing 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.

An impairment loss for the amount by which the asset's carrying amount exceeds the recoverable amount is recognised immediately in income and expenditure account, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

2. Summary of significant accounting policies

(e) Impairment of tangible assets (Continued)

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in income and expenditure account, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(f) Financial instruments

Financial assets and financial liabilities are recognised when the Society becomes a party to the contractual provisions of the instrument.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss ("FVTPL").

Financial assets

All financial assets are recognised on a trade date - the date on which the Society commits to purchase or sell the asset. They are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

Financial assets are classified into loans and receivables and available-for-sale financial assets. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

Loans and receivables

The Society's loans and receivables comprise bank balances.

Such loans and receivables are non-derivatives with fixed or determinable payments that are not quoted in an active market. They are measured at amortised cost, using the effective interest method less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

2. Summary of significant accounting policies (Continued)

(f) Financial instruments

Financial assets (Continued)

Available-for-sale financial assets ("AFS")

Certain equity instruments and debt securities held by the Society are classified as AFS if they are not classified in any of the other categories. Subsequent to initial recognition, with the exception of unquoted equity instruments that are not carried at fair value as the fair value cannot be reliably measured, AFS are measured at fair value and changes therein are recognised directly in the available-for-sale reserve with the exception of impairment losses, interests calculated using the effective interest method and foreign exchange gains and losses arising from monetary items. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in the available-for-sale reserve is included in income and expenditure account for the year.

Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment loss directly with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in income and expenditure account.

With the exception of available-for-sale equity instruments, 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 loss was recognised, the previously recognised impairment loss is reversed through income and expenditure account to the extent the carrying amount of the investment at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

In respect of available-for-sale equity instruments, any subsequent increase in fair value after an impairment loss is recognised directly in available-for-sale reserve.

2. Summary of significant accounting policies (Continued)

2. Summary of significant accounting policies (Continued)

(f) Financial instruments

Financial assets (Continued)

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Society neither transfers nor retains substantially all the risks and rewards of ownership of the financial asset and continues to control the transferred asset, the Society recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Society retains substantially all the risks and rewards of ownership of a transferred financial asset, the Society continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds receivables.

Financial liabilities

Other payable and accruals

Other payable and accruals are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

Derecognition of financial liabilities

The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged, cancelled or they expire.

(g) Cash and cash equivalents

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

3. Critical accounting judgements and key sources of estimation uncertainty

The Society made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Society's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Society's accounting policies

the Executive Committee is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

the Executive Committee is of the opinion that there are no key sources of estimation uncertainty at the end of financial year that have a significant effect on the amounts of assets and liabilities within the next financial year.

4. Income tax expense

	2016 S$	2015 S$
Current income tax		
- under provision in prior years	1,121	-

Domestic income tax is calculated at 17% (2015: 17%) of the estimated assessable profit for the year.

The income tax expense varied from the amount of income tax expense determined by applying the Singapore income tax rate of 17% (2015: 17%) to surplus/(deficit) before income tax expense as a result of the following differences:

	2016 S$	2015 S$
(Deficit)/Surplus for the year before income tax	(1,769)	36,678
Income tax at statutory rate of 17%	(301)	6,235
Add/(Less):		
Effect of income not subject to tax	(1,752)	(52,268)
Under provision in prior years	1,121	-
Effect of non-allowable items	36	47,233
Singapore statutory stepped income exemption	-	(1,200)
Unrecognised deferred tax assets	2,017	-
Income tax expense	1,121	-

As at 31 December 2016, the Society has estimated unutilised losses S$11,864 (2015: Nil), which are available for set-off against future profits, subject to the agreement by the Inland Revenue Authority of Singapore.

The deferred tax assets totaling approximately S$2,017 (2015: Nil) relating to unutilised tax losses have not been recognised in these financial statements due to unpredictability of the future profits streams to be generated by the Society in the foreseeable future.

5. Other receivables and prepayments

	2016 S$	2015 S$
Other receivables	-	6,300
Prepayments	7,524	6,580
	7,524	12,880

Other receivables and prepayments are denominated in Singapore dollar.

6. Cash and cash equivalents

	2016 S$	2015 S$
Cash on hand	258	512
Cash at bank	219,920	203,350
	220,178	203,862

Cash and cash equivalents approximate their fair values and are denominated in Singapore dollars.

7. Equipment

2016	Computer equipment S$
Cost	
At 1 January and 31 December	1,049
Accumulated depreciation	
At 1 January	420
Charge for the year	210
At 31 December	630
Carrying amount	
At 31 December	419

2015	Computer equipment S$
Cost	
At 1 January and 31 December	1,049
Accumulated depreciation	
At 1 January	210
Charge for the year	210
At 31 December	420
Carrying amount	
At 31 December	629

8. Available-for-sale financial assets

	2016 S$	2015 S$
As at 1 January	212,515	235,770
Fair value changes recognised in accumulated fund	4,563	(23,255)
As at 31 December	217,078	212,515

Available-for-sale financial assets include the following:

	2016 S$	2015 S$
Quoted equity securities, at fair value	217,078	212,515

The investments in quoted equity securities have no fixed maturity date nor coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

Available-for-sale financial assets are denominated in Singapore dollar.

9. Accumulated fund

	2016 S$	2015 S$
As at 1 January	240,739	204,061
(Deficit)/Surplus for the year	(2,890)	36,678
As at 31 December	237,849	240,739

10. Available-for-sale reserve

	2016 S$	2015 S$
As at 1 January	71,541	94,796
Change in fair value of available-for-sale financial assets	4,563	(23,255)
As at 31 December	76,104	71,541

Available-for-sale reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

11. Life subscription

	2016 S$	2015 S$
As at 1 January and 31 December	59,722	59,722

12. Financial management and financial risks

The Society's activities expose it to market risks such as equity price risk and liquidity risk. The Society's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Society's financial performance.

The Executive Committee is responsible for setting the objectives and underlying principles of financial risk management for the Society. The management then establishes the detailed policies such as authority levels, oversight responsibilities, risk identification and measurement, exposure limits and hedging strategies, in accordance with the objectives and underlying principles approved by the Executive Committee.

There have been no changes to the Society's exposure to these financial risks or the manner in which it manages and measures the risk.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Society. The Society do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics.

The Society major classes of financial assets are bank deposits and available-for-sale financial assets.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

Market risks

Equity price risk

The Society is exposed to equity price risk arising from equity investments classified as available-for-sale. Available-for-sale equity investments are held for strategic rather than trading purposes. The Society did not actively trade in available-for-sale investments.

Further details of these equity investments can be found in Note 8 to the financial statements.

Equity price sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the end of the financial year.

The sensitivity analysis assumes an instantaneous 10% change in the equity prices from the reporting date, with all variables held constant.

	Increase/(Decrease) Equity	
	2016	**2015**
	S$	**S$**
Available-for-sale financial assets	21,708	21,252

Foreign exchange risk

The Society does not transact in foreign currency denominated transactions.

12. Financial management and financial risks (Continued)

Interest rate risk

The Society has no exposure to interest rate risk.

Liquidity risk

The Executive Committee exercises prudent liquidity risk management policies. It implies maintaining sufficient cash to close out market positions. Due to the non-profit organisation nature of its operations, funding is mainly from memberships, organisation of events and to some extent the income from its investment. All financial liabilities of the Society is payable within the next 12 months.

Fair values

The carrying amounts of cash and cash equivalents and other payable and accruals, approximate their respective fair values due to the relative short term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to the financial statements.

The fair values of applicable financial assets and financial liabilities are determined as follows:

(a) the fair values of financial assets and financial liabilities with standard terms and conditions and which trade in active liquid markets are determined with reference to quoted market prices (Level 1 of fair value hierarchy);

(b) in the absence of quoted market prices, the fair values of the other financial assets and financial liabilities (excluding derivative instruments) are determined using the other observable inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets or inputs other than quoted prices that are observable for the asset or liability (Level 2 of fair value hierarchy).

(c) in the absence of observable inputs, the fair values of the remaining financial assets and financial liabilities (excluding derivatives instruments) are determined in accordance with generally accepted pricing models (Level 3 of fair value hierarchy).

(d) the fair value of derivative instruments are calculated using quoted prices (Level 1 of fair value hierarchy). Where such prices are unavailable, discounted cash flow analysis is used, based on the applicable yield curve of the duration of the instruments for non-optional derivatives, and option pricing models for optional derivatives (Level 3 of fair value hierarchy).

The available-for-sale financial assets of the Society belong to Level 1 of the fair value hierarchy.

13. Capital management

The Society is a non-profit organisation where funding is obtained through memberships, profits from events organised and returns on investments made. The Society ensures that there is sufficient income and funds to realise its primary objectives by regularly reviewing its financial standing in relation to the requirements of the operations.

The Society is not subject to any externally imposed capital requirement. The Society's overall strategy remains unchanged from 2015.