THE INSTITUTE OF INTERNAL AUDITORS SINGAPORE

Unique Entity Number : S76SS0058D
(Registered in Singapore)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2014

CONTENTS

INSTITUTE INFORMATION
For the year ended 31 May 2014

Registered office	6 Shenton Way #41-04 Singapore 068809
Governors	Eric Lim, President James Loh, Vice-President Tan Boon Yen, Vice-President Abdul Hamid Bin Abdullah, Secretary Teo Kim Yong, Treasurer Antonio Martinez Marroquin Audrey Huang Derrick Lim Melissa Aw Yong Sia Nam Chie Teo Chee Khiang William Lim Uantchern Loh, Immediate Past President
Bankers	DBS Bank Ltd Oversea-Chinese Banking Corporation Limited Hong Leong Finance Limited
Independent auditors	Saw Meng Tee & Partners PAC 1 North Bridge Road #23-01/02 High Street Centre Singapore 179094

STATEMENT BY THE BOARD OF GOVERNORS
For the year ended 31 May 2014

The Board of Governors is responsible for the preparation and fair presentation of the financial statements in accordance with By-Laws of The Institute of Internal Auditors Singapore (the "Institute") and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

In the opinion of the governors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in funds and the statement of cash flows, together with the notes thereon, are drawn up so as to give a true and fair view of the state of affairs of the Institute as at 31 May 2014 and the results and cash flows of the Institute for the financial year ended on that date and at the date of this statement there are reasonable grounds to believe that the Institute will be able to pay its debts as and when they fall due.

On behalf of the Board

Eric Lim
President

Teo Kim Yong
Treasurer

11 July 2014

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF THE INSTITUTE OF INTERNAL AUDITORS SINGAPORE

Report on the Financial Statements

We have audited the financial statements of The Institute of Internal Auditors Singapore (the "Institute"), which comprise the statement of financial position as at 31 May 2014, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year ended, and a summary of significant accounting policies and other explanatory notes.

Board of Governors' Responsibility for the Financial Statements
The Board of Governors is responsible for the preparation and fair presentation of these financial statements in accordance with the By-Laws of the Institute 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 profit and loss accounts and balance sheets 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 control 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 By-Laws of the Institute and Singapore Financial Reporting Standards and so as to give a true and fair view of the state of affairs of the Institute as at 31 May 2014 and the results, changes in funds and cash flows of the Institute for the year then ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the By-Laws to be kept by the Institute have been properly kept in accordance with the requirements.

Public Accountants and Chartered Accountants
Singapore 11 July 2014

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STATEMENT OF FINANCIAL POSITION

As at 31 May 2014

	Note	**2014** S$	2013 S$
ASSETS			
Non-current assets			
Property, plant and equipment	3	**61,713**	67,212
Current assets			
Inventories, at cost		**470**	7,521
Trade receivables	4	**160,038**	42,945
Other receivables	5	**43,444**	42,553
Cash and cash equivalents	6	**1,389,726**	1,185,136
		1,593,678	1,278,155
Total Assets		**1,655,391**	1,345,367
FUNDS			
Accumulated surplus		**1,363,167**	1,071,460
Current liabilities			
Fee received in advance		**188,666**	139,661
Trade and other payables	7	**95,807**	134,246
Provision for taxation		**7,751**	-
		292,224	273,907
Total Funds and Liabilities		**1,655,391**	1,345,367

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 May 2014

	Note	**2014 S$**	2013 S$
Operating income			
CRMA fees, net of expenses		**4,263**	25,848
Entrance fees		**4,852**	3,638
Examination fees, net of expenses	8	**167,946**	105,733
Sale of educational materials, net of expenses		**9,364**	11,528
Seminars, talks and conferences, net of expenses	9	**618,743**	392,291
Membership subscriptions		**261,888**	238,166
Joint events, net of expenses		**444**	-
CPE reporting fees, net of expenses		**5,962**	-
		1,073,462	777,204
Non operating income			
Bank interest		**1,809**	738
Rental income		**23,400**	5,464
Government grant		**6,171**	492
Other income		**897**	835
Gain on disposal of property, plant and equipment		**-**	2,435
		32,277	9,964
Operating surplus		**1,105,739**	787,168
Less :			
Selling, administrative and financial expenses			
Accountancy fee		**17,700**	17,200
Affiliation fee		**39,230**	34,295
Audit fee		**3,280**	2,996
Bank charges		**10,680**	10,412
Depreciation	3	**25,544**	24,205
Donation		**2,200**	-
Difference in exchange		**139**	(63)
Events expenses		**4,712**	-
Property, plant and equipment written off		**-**	1,503
General expenses		**4,833**	4,445
Insurance		**3,428**	3,652
Legal and professional fee		**-**	5,709
Meeting expenses		**30,469**	25,386
Office rental		**112,972**	87,353
Copier rental		**3,540**	1,770
Postage, printing and stationery		**22,436**	10,820
Publicity and advocacy		**25,785**	28,550
Publishing and tapes		**58,115**	59,380
Recruitment expenses		**671**	168
Salaries and staff costs		**397,212**	363,006
Storage charges, utilities and cleaning service		**5,950**	6,129
Telecommunication		**4,048**	6,773
Transportation		**1,724**	1,869
Website expense		**31,613**	28,036
		806,281	723,594
Net operating surplus before taxation		**299,458**	63,574
Taxation	10	**(7,751)**	-
Net operating surplus after taxation/ Total comprehensive income for the year		**291,707**	63,574

See accompanying notes to the financial statements.

STATEMENT OF CHANGES IN FUNDS

For the year ended 31 May 2014

	Accumulated Surplus S$
Balance as at 1 June 2012	1,007,886
Total comprehensive income for the year	63,574
Balance as at 31 May 2013	1,071,460
Total comprehensive income for the year	291,707
Balance as at 31 May 2014	**1,363,167**

STATEMENT OF CASH FLOWS

For the year ended 31 May 2014

	Note	2014 S$	2013 S$
Cash flows from operating activities			
Surplus before income tax		**299,458**	63,574
Adjustments for :			
Depreciation	3	**25,544**	24,205
Interest income		**(1,809)**	(738)
Gain on disposal of property, plant and equipment		**-**	(2,435)
Operating cash flow before working capital change		**323,193**	84,606
Inventories		**7,051**	(437)
Trade and other receivables		**(116,898)**	(34,213)
Trade and other payables		**10,566**	133,161
Net cash generated from operating activities		**223,912**	183,117
Cash flows from investing activities			
Interest received		**723**	877
Purchase of property, plant and equipment	3	**(20,045)**	(65,725)
Proceeds from disposal of property, plant and equipment		**-**	3,000
Net cash used in investing activities		**(19,322)**	(61,848)
Net increase in cash and cash equivalents		**204,590**	121,269
Cash and cash equivalents at beginning of financial year		**1,185,136**	1,063,867
Cash and cash equivalents at end of financial year	6	**1,389,726**	1,185,136

See accompanying notes to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

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

1. GENERAL INFORMATION

The Institute of Internal Auditors Singapore (the "Institute") is registered as a society and domiciled in Singapore. The registered address of the Institute is located at 6 Shenton Way #41-04 Singapore 068809.

The principal activities of The Institute of Internal Auditors Singapore, established under the Societies Act, are to provide practising internal auditors with a forum for exchanging ideas and expertise on matters of common interests, to develop their professional skills, to enhance their usefulness to the management they serve, to enhance the professional status of internal auditing in Singapore and to seek to develop a mutual understanding between interested parties regarding the possbilities and benefits of professional internal auditing.

The financial statements of the Institute were authorised for issue on the date of which the Statement by the Board of Governors were signed.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

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

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below, and are presented in Singapore Dollars (S$).

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards that are effective for annual periods beginning on or after 1 June 2013. The adoption of these standards and interpretations did not have any effect on the financial performance or position of the Company.

b) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of financial statements in conformity with FRS requires the Board of Governors to exercise its judgement in the process of applying the Institute's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of financial statements, and the reported amounts of revenues and expenses during the financial year. These estimates are based on the Board of Governors' best knowledge of current events and actions.

Critical accounting estimates and assumptions used that are significant to the financial statements are discussed below:

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 May 2014

2. *SIGNIFICANT ACCOUNTING POLICIES (CONT'D)*

b) Critical Accounting Judgements and Key Sources of Estimation Uncertainty (cont'd)

(i) Depreciation of property, plant and equipment
The Institute determines the estimated useful lives and related depreciation charges for the Institute's property, plant and equipment. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of similar nature and functions. Management will revise the depreciation charge where useful lives are different to those previously estimated, or a write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold.

(ii) Impairment loss recognised in respect of accounts receivable
The allowance of impairment loss in respect of accounts receivable of the Institute is based on the evaluation of collectibility and aging analysis of accounts receivable and on the Board of Governors' estimate. In determining whether impairment is required, the Institute takes into consideration the aging status and likelihood of collection. When recoverability of accounts receivable are called into doubts, specific provision of impairment loss on accounts receivable are made on the difference between the estimated future cash flow expected to receive discounted using the original effective interest rate and the carrying value.

(iii) Income taxes
Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Institute recognises liabilities for anticipated tax issues based on estimate of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

c) Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are stated at cost or valuation less accumulated depreciation and any impairment in value.

Depreciation is calculated on the straight-line method to write off the cost or valuation of the assets over their estimated useful lives of 3 years.

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

Depreciation methods, useful lives and residual values are reviewed and adjusted as appropriate, at the end of the reporting period.

The carrying amounts are reviewed at the end of the reporting period to assess whether they are recorded in excess of their recoverable amount, and if the carrying values exceed their recoverable amounts, assets are written down.

The residual values and useful lives, if not insignificant, are reassessed annually.

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 arising from derecognition of the assets is included in the profit or loss in the year the asset is derecognised.

2. *SIGNIFICANT ACCOUNTING POLICIES (CONT'D)*

d) Impairment of non-financial assets

The carrying amounts of the Institute's assets are reviewed at the end of the reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

An impairment loss is recognised in the profit or loss if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. A cash-generating unit is the smallest identifiable asset group that generates cash flows that largely are independent from other assets and groups.

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 the 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 cash-generating unit.

Impairment losses recognised in prior years are assessed at the end of the reporting period for any indications that the loss has decreased or no longer exists. 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, if no impairment loss has been recognised. Reversal of impairment loss is recorded in profit or loss. After such a reversal, the depreciation charge is adjusted in future periods to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

e) Inventories

Inventories, comprising CIA learning system pack and other educational materials, are stated at the lower of cost and net realisable value. Cost is calculated using the first-in, first-out method.

f) Leased assets

Where assets are financed by lease agreement that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at the values equivalent to the present value of the total rental payable during the year of the leases and the corresponding lease commitments are included under liabilities. The excess of the lease payments over the recorded lease obligations is treated as finance charges, which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2014

2. *SIGNIFICANT ACCOUNTING POLICIES (CONT'D)*

g) Provisions

Provisions are recognised when the Institute has a present obligation (legal or constructive) where, 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 a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of the reporting period and adjusted to reflect the current best estimate. Where the effect of time value of money is material, the amount of the provision is the present value of the expenditure expected to be required to settle the obligation.

h) Related parties

For the purposes of these financial statements, parties are considered to be related to the Institute if the Institute has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Institute and the party are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

i) Financial instruments

Financial assets and financial liabilities are recognised on the Institute's statement of financial position when the Institute becomes a party to the contractual provisions of the instrument.

(i) Trade and other receivables
Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the Institute will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance 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 amount of the allowance is recognised in the profit or loss.

(ii) Cash and cash equivalents
Cash and cash equivalents comprise cash balances. For the purpose of the statement of cash flows, cash and cash equivalents are presented net of bank overdrafts (if any) which are repayable on demand and which form an integral part of the Institute's cash management.

(iii) Trade and other payables
Trade and other payables are recognised initially at fair value, net of transaction costs incurred and subsequently stated at amortised costs, using the effective interest method.

(iv) Loans and borrowings
Loans and borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

j) Contingent liabilities and assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably. A contingent liability is not recognised but is disclosed in the notes to the financial statements. When a change in the probability of an outflow occurs so that outflow is probable, they will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Institute. Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefit is probable. When inflow is virtually certain, an asset is recognised.

k) Borrowing costs

Borrowing costs are recorded as expenses in the period in which they are incurred.

l) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case it is recognised in equity.

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

Deferred income tax is provided using the liability method, on all temporary differences at the end of the reporting period arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax are charged or credited to equity if the tax relates to items that are credited or charged, in the same or a different period, directly to equity.

m) Key management personnel

Key management personnel of the Institute are those having authority and responsibility for planning, directing and controlling the activities of the Institute. Governors are considered key management personnel.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

n) Revenue recognition

Subscription fees and entrance fee less refunds, if any, are recognised in the financial statements on an accrual basis.

The annual subscription fee is S$160.50 inclusive of GST, per member and the entrance fee is S$21.40 inclusive of GST, per new member. For new members admitted in the second half of the financial year, the subscription fee is S$80.25 inclusive of GST, per member. Annual subscription fees for corporate members range from S$481.50 to S$4,012.50 inclusive of GST based on the number of nominees.

Revenue from seminars and talks is recognised as income in the period in which service is rendered. Examinations fees are recognised as income in the period upon receipts of fees and completion registration of the examination with The Institute of Internal Auditor, USA.

Interest income is recognised on a time-apportioned basis.

o) Foreign currency transaction

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

(ii) Transactions and balances
Transactions in foreign currency are measured and recorded in Singapore dollars using the exchange rate at the date of transactions. At the end of the reporting period, recorded monetary balances that are denominated in foreign currency are adjusted to reflect the rate at the end of the reporting period. All exchange adjustments are taken to the profit or loss.

p) Employee benefits

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

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

q) Government grant

Cash grants received from the government are recognised as income upon receipt.

3. *PROPERTY, PLANT AND EQUIPMENT*

	Leasehold improvement S$	Office furniture and equipment S$	Total S$
Cost			
As at 1 June 2012	40,924	62,662	103,586
Additions	63,287	2,438	65,725
Disposal	(40,924)	(1,070)	(41,994)
As at 31 May 2013	63,287	64,030	127,317
Additions	20,045	-	20,045
As at 31 May 2014	**83,332**	**64,030**	**147,362**
Less:			
Accumulated Depreciation			
As at 1 June 2012	30,693	46,636	77,329
Charge for the year	11,989	12,216	24,205
Disposal for the year	(40,924)	(505)	(41,429)
As at 31 May 2013	1,758	58,347	60,105
Charge for the year	21,652	3,892	25,544
As at 31 May 2014	**23,410**	**62,239**	**85,649**
Net Book Value			
As at 31 May 2014	**59,922**	**1,791**	**61,713**
As at 31 May 2013	61,529	5,683	67,212

4. *TRADE RECEIVABLES*

Included in trade receivables are amounts owed by organisations whose delegates attended seminars/conferences organised by the Institute during the financial year:

<u>2014</u>

Seminar/Conference:	Date	S$
(a) Analyzing And Improving Business Process	April 2014	**1,498**
(b) Audit Manager Tools & Techniques	March 2014	**803**
(c) Forensic Audit	March 2014	**481**
(d) In-house Training: Internal Controls & Fraud Preventation	March 2014	**10,058**
(e) Implement A Risk Governance & Internal Control Framework Based On The Revised Code Of Governance	April 2014	**450**
(f) Public Sector Internal Audit (PSIA) Conference 2014	April 2014	**26,420**
(g) Value-Added Business Controls: The Right Way To Mange Risk	May 2014	**2,835**
(h) What Is Your Brand? Celebrate International IA Awareness Month	May 2014	**15**
		42,560
Training room rental receivable		**642**
		43,202
Corporate membership FY2014/2015 (billed in advance)		**79,367**
Seminars billed in advance		**37,469**
		160,038

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2014

4. *TRADE RECEIVABLES (CONT'D)*

2013

Seminar/Conference:	Date	S$
(a) IIAS Member Night	December 2012	30
(b) Risk Based Auditing	December 2012	700
(c) Evening Talk	February 2013	35
(d) Advanced Statistical Data Analytics	March 2013	680
(e) How To Safeguard Your Organisation Against Fraud?	April 2013	1,900
(f) Public Sector Internal Audit Conference	April 2013	24,177
(g) Performance Audits	April 2013	1,670
(h) Forex Risk Management	May 2013	524
(i) Internal Controls Masterclass	May 2013	2,569
(j) Tools & Techniques for Internal Auditors	May 2013	3,060
(k) Annual Conference and Leadership Forum (Sponsorship billed in advance)	September 2013	7,600
		42,945

Trade receivables are generally on 30 days (2013: 30 days).

The ageing of receivables at the end of the reporting period is:

	2014 S$	2013 S$
1 to 30 days	**118,643**	12,456
31 to 60 days	**30,053**	15,744
61 to 90 days	**11,342**	14,745
	160,038	42,945

5. *OTHER RECEIVABLES*

	2014 S$	2013 S$
Prepayment	**13,379**	8,574
Sundry deposits	**28,847**	33,846
Interest receivable	**1,218**	133
	43,444	42,553

6. *CASH AND CASH EQUIVALENTS*

	2014 S$	2013 S$
Fixed deposits	**869,059**	970,808
Cash and bank balances	**520,667**	214,328
	1,389,726	1,185,136

The weighted average effective interest rate of the fixed deposits as at 31 May 2014 ranged from 0.25% to 1.18 % (2013: 0.05% to 0.10%) per annum, with maturities of between 3 to 12 months (2013: 1 to 12 months).

7. *TRADE AND OTHER PAYABLES*

	2014 S$	2013 S$
Trade payables	**45,594**	80,493
Accrued payables	**20,889**	21,286
GST payables	**29,324**	32,467
	95,807	134,246

The carrying amounts of trade and other payables approximate their fair values.

Trade payables are generally on 30 days (2013: 30 days) credit terms.

Trade and other payables are denominated in the following currencies:

	2014 S$	2013 S$
Singapore Dollar	**63,501**	110,768
United States Dollar	**32,306**	23,478
	95,807	134,246

8. *EXAMINATION FEES*

	2014 S$	2013 S$
Examination fees (gross)		
- CIA	**283,692**	181,176
- CFSA	**6,593**	4,236
- CGAP	**-**	95
- CCSA	**4,603**	5,727
- CRMA	**19,070**	-
	313,958	191,234
Less: Examination expenses		
- CIA	**131,768**	81,293
- CFSA	**3,127**	1,770
- CGAP	**-**	-
- CCSA	**2,222**	2,438
- CRMA	**8,895**	-
	146,012	85,501
	167,946	105,733

9. *SEMINARS, TALKS AND CONFERENCES*

	2014 S$	2013 S$
Seminars, talks and conferences (gross)	**1,290,198**	985,933
Less: Seminars, talks and conferences expenses	**671,455**	593,642
	618,743	392,291

10. INCOME TAX

The Institute is liable to income tax as a trade association under Part B of the Second Schedule of the Income Tax Act, Cap.134.

	2014	2013
	S$	S$
Based on results for the year:		
Income tax		
- Current year	**7,751**	-

A reconciliation of the income tax expense from the amount of income tax expense determined by applying the Singapore statutory income tax rate on the result of the Institute is as follows:

	2014	2013
	S$	S$
Surplus before taxation	**299,458**	63,574
Tax calculated at statutory tax rate of 17%	**50,908**	10,808
Expenses not deductible for tax purposes	**735**	776
Singapore statutory stepped income exemption	**(11,924)**	-
Enhanced allowance	**(15,500)**	-
Tax incentives	**(4,257)**	(2,010)
Deferred tax assets not recognised	**(12,211)**	(9,574)
	7,751	-

The realisation of the future deferred tax assets is available for an unlimited future period subject to there being no substantial change in shareholders as required by provision of the Singapore Income Tax Act and agreement by the Comptroller of Income Tax.

11. OPERATING LEASE COMMITMENT

The Institute entered into commercial property leases on its office premises. At the end of the reporting period, these non-cancellable leases had remaining non-cancellable lease terms of between 1 and 5 years.

Future minimum lease payments payable under non-cancellable operating leases are as follows:

	2014	2013
	S$	S$
Due within 1 year	**112,387**	112,387
Due within 1 and 5 years	**103,021**	215,408

12. *FINANCIAL RISK MANAGEMENT POLICIES*

The Institute is exposed to financial risks arising from its operations and the use of financial instruments. The Institute does not have any written risk management policies and guidelines.

The Institute does not hold or issue derivativies financial instruments or the hedge against fluctuation, if any, in interest rates and foreign exchange.

The main risks arising from the Institute's financial statements are foreign currency risk, interest rate risk, credit risk, liquidity risk and market price risk. The Institute reviews and agrees policies for managing each of these risks and they are summarised below:

Interest rate risk

The Institute's exposure to market risk for changes in interest rates relates primarily to interest-bearing fixed deposits with financial institutions. The Institute has no policy to hedge against its interest rate risk. The Institute is in a net interest-income position during the current financial year.

Credit risk

Credit risk is the potential financial loss resulting from the failure of a customer or a counter party to settle its financial and contractual obligations to the Institute as and when they fall due. The Institute monitors the exposure to credit risk on an ongoing basis taking into consideration the credit worthiness of the customer amongst the factors considered. Credit evaluations are performed on all customers requiring credit over a certain amount. The Institute does not require collateral in respect of financial assets.

At the end of the reporting period, there is no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the statement of financial position.

Foreign currency risk

The Institute is exposed to foreign exchange risk on transactions that are denominated in a currency other than Singapore dollars. Exposure to foreign exchange risk is monitored on an ongoing basis by the Institute to ensure that the net exposure is at an acceptable level.

The Institute pays examination fee to an institute in another country and transacted in United States dollars. As a result, it is exposed to foreign currency risk arising from the exchange rate movements of this foreign currency against the Singapore dollar. However, the Institute does not use any financial derivaties such as foreign currency forward contracts, foreign currency options or swaps for hedging purposes.

Foreign currency sensitivity analysis
The Institute's sensitivity to a 1% (2013: 2%) strengthening in United States dollar, against Singapore dollar would result in a decrease in surplus after tax for the year by S$323 (2013: S$470). The sensitivity analysis assumes an instantaneous 1% (2013: 2%) change in the foreign currency exchange rate from the end of the reporting period, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in foreign currency.

If United States dollar weakened against Singapore dollar by 1% (2013: 2%), with all other variables including tax rate being held constant, it would have had the equal opposite effect on the amount shown above.

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For the year ended 31 May 2014

12. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

Liquidity risk

The Institute monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by Institute to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at close its fair value.

The Institute's liquidity risk is minimal as it maintains sufficient funds to meet its committed liabilities.

The Institute has no derivative financial liabilities. All non-derivative financial liabilities are due within 12 months.

Market price risk

Price is the risk that the value of a financial instrument will fluctuate due to changes in market prices whether those changes are caused by factors specific to the individual security or its issuer or factors affecting all securities traded in the market.

The Institute does not hold any quoted or marketable financial instrument, hence, is not exposed to any movements in market prices.

Fair values

The fair values of all the Institute's financial assets and liabilities approximate their carrying amounts.

However, the Institute does not anticipate that the carrying amounts recorded at the end of the reporting period would be significantly different from the values that would eventually be received or settled.

13. CAPITAL MANAGEMENT

The Institute's objectives in capital management are:

(a) To safeguard the Institute's ability to continue as a going concern;

(b) To support the Institute's stability and growth; and

(c) To provide funds for the purpose of strengthening the Institute's risk management capability.

The Board of Governors of the Institute has adopted an investment strategy for the Institute's surplus funds in January 2012. The investment strategy will be periodically reviewed by the Board.

NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 May 2014

14. FRS NOT YET ADOPTED

Certain new accounting standards and interpretations have been published that are mandatory for accounting periods beginning on or after 1 June 2014. The Institute does not expect that adoption of these accounting standards and interpretations will have a material impact on the Institute's financial statements.

The Institute has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	**Effective for annual period beginning on or after**
Revised FRS 27 Separate Financial Statements	1 January 2014
Revised FRS 28 Investments in Associates and Joint Ventures	1 January 2014
FRS 110 Consolidated Financial Statements	1 January 2014
FRS 111 Joint Arrangements	1 January 2014
FRS 112 Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32 Offsetting of Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36: Recoverable Amount Disclosures for Non-Financial Assets	1 January 2014
Amendments to FRS 39: Novation of Derivatives and Continuation of Hedge Accounting	1 January 2014
FRS 110, FRS 112 and FRS 27 Amendments to FRS 110, FRS 112 and FRS 27: Investment Entities	1 January 2014
FRS 110, FRS 111 and FRS 112 Amendments to the transition guidance of FRS 110 Consolidated Financial Statements, FRS 111 Joint Arrangements and FRS 112 Disclosure of Interests in Other Entities	1 January 2014

The Board of Governors does not anticipate that the adoption of the above FRS in future periods will have a material impact on the financial statements of the Institute in the period of their initial adoption.