

# Embarking on a New Journey

**Singapore Institute of Management Society**

**Annual Report 2020**



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## About Singapore Institute of Management Society

The Singapore Institute of Management Society (SIM Society) is a not-for-profit professional membership organisation. It was incorporated and registered under the Societies Ordinance (Ch. 228) on 27 November 1964. SIM Society has its Constitution as its governing instrument.

SIM Society has a solid 57-year track record in supporting manpower development for Singapore's growth and is a leading advocate for professional development and lifelong learning with emphasis on skills upgrading, human capital development and networking opportunities for sharing industry best practices.

Today, SIM Society continues to build on its illustrious heritage and focus on renewing its engagements to stay relevant with the needs of members.



### Corporate Information

**Unique Entity Number**  
S64SS0050A

**Registered Address**  
SIM Headquarters  
461 Clementi Road,  
Singapore 599491

**Auditor**  
Ernst & Young LLP  
Level 18, North Tower, One Raffles  
Quay, Singapore 048583

**Principal Banker**  
DBS Bank Ltd  
12 Marina Boulevard,  
DBS Asia Central, Marina Bay  
Financial Centre Tower 3,  
Singapore 018982

## Chairman's Message



**Dr Rosemary Tan**  
Chairman, SIM Society

With the renewed focus on the membership core, we are embarking to further the Society's illustrious achievements by establishing a vibrant members' community of lifelong learners with revitalised engagement programmes and peer learning platforms.

2020 marked another significant milestone development for the Singapore Institute of Management (SIM). With unequivocal support and approval at the 2019 Annual General Meeting, SIM underwent a corporate restructure and was renamed Singapore Institute of Management Society (SIM Society) to heighten its heritage as a dedicated membership organisation and emphasise on serving the lifelong learning needs of members.

Since its inception under the Societies Ordinance (Ch. 228) in 1964, SIM evolved into one of Singapore's leading education and lifelong learning institution with a solid track record in advocating human capital development that facilitated Singapore's economic growth. It pioneered alternative learning pathways that provided higher education opportunities for underserved segments of society and equipped aspiring professionals to progress in their careers through skills upgrading. To continue enabling individuals and enterprises to be future-ready and empowering them to fulfil their highest aspirations, the higher education and learning services were placed under a newly incorporated company limited by guarantee, Singapore Institute of Management Group Limited (SIM Group Limited), while retaining the membership services in SIM Society.

2020 was also an unusually challenging year for all of us as the COVID-19 pandemic disrupted our lives and severely limited the activities of SIM Society most of which were held online. It was during the onset of this pandemic that my team and I were elected and took office as members of the Governing Council (GC). The GC now composed of Ms Adeline Sim, Mr Stephen Yee, Mr Allan Lee, Mr Sanjay Gour and Mr Tan Swee Heng. The team is committed to working hard to fulfil the mission of the Society and to strengthen its value proposition for all members.

With the renewed focus on the membership core, we are embarking to further the Society's illustrious achievements by establishing a vibrant members' community of lifelong learners with revitalised engagement programmes and peer learning platforms. To better understand the current state and aspirations of our membership base, we have commissioned a survey to gather insights from members that would enable us to set priorities to enhance the relevance of SIM Society in promoting mutually enriching interactions among members.

I am grateful for the enduring support from members who have contributed time, expertise and resources to sustain the learning and networking opportunities through the professional interest group events. My team and I look forward to your continued support to bring the Society into the next decade and beyond.

**Dr Rosemary Tan**  
Chairman  
SIM Society Governing Council



# Corporate Governance

Assuming the overall governance of the SIM Society is the Governing Council. Comprising independent elected members, the Governing Council is responsible for the strategic direction of SIM Society, provides governance oversight on all financial, remuneration, risk and audit matters and closely monitors compliance with control measures.

## SIM Society Governing Council Members

### CHAIRMAN



**Dr Rosemary Tan**

### TREASURER



**Mr Stephen Yee**

### SECRETARY



**Ms Adeline Sim**

### MEMBERS



**Mr Sanjay Gour**



**Mr Tan Swee Heng**



**Mr Allen Lee**

### HONORARY CHAIRMAN



**Dr Richard Eu Keng Mun**



# Year In Review



## Financial Highlights (For the year ended on 31 December)

\$'000	2020 <sup>1</sup>	2019
Income	15,834	95,140
Expenditure	456,362 <sup>2</sup>	75,520
Excess of income over expenditure / (Excess of expenditure over income)	(440,528)	19,620

<sup>1</sup> A new Company Limited by Guarantee, SIM Group Limited, was incorporated to undertake the business operations from SIM Society since 1 March 2020. The assets and liabilities of SIM Society were also transferred to SIM Group Limited with effect from 1 March 2020.

<sup>2</sup> The transfer of assets and liabilities of SIM Society to SIM Group Limited was at the carrying amount of \$442,512,000.

## SIM Society Membership Profiles

Category of Members	Number of Members
Honorary Fellow	9
Ordinary	1,092
Associate	926
Silver (Retired)	48
Corporate Members	333
<b>Total number of Members</b>	<b>2,408</b>

Honorary Fellows
Professor Cham Tao Soon
Dr Richard Eu Keng Mun
Mr Hochstadt Herman R
Mr Hsieh Fu Hua
Mr Ngiam Tong Dow
Mr Pillay J Y
Mr Shaw Vee Meng
Mr Wee Cho Yaw
Dr John Yip Soon Kwong



**2,408**  
SIM Society  
Members

## SIM Society Professional Interest Groups

	Interest Group	President	Objective
	Business Management Group	Chin Sin Boon Currently unemployed	To sharpen members' business management skills and help them optimise their professional performance and potential.
	Human Capital Interest Group	Kris Ong HR Manager SLS Bearings (S) Pte Ltd	To promote continuous learning and exchange of best practices in human capital management contextually in tandem with changing business needs in a VUCA (Volatile, Uncertain, Complex and Ambiguous) environment.
	Information Technology Group	Loh Khin Marn Director Genesis Networks Pte Ltd	To provide a network for information exchange and promote the use of IT in sharpening one's competitive edge in the marketplace.
	Innovation & Quality Management Group	Chua Kok Leong Senior Marketing Director ERA Realty Network Pte Ltd	To be the premier network of practitioners to embrace quality and innovative concepts and methodologies among organisations and individuals in Singapore.
	The Entrepreneurship & Strategic Management Group	Derrick Kon Director CEO Solutions Pte Ltd	To promote keen leadership, entrepreneurship and strategic skills for an edge in business.
	SIM I Toastmasters Club	Wilson Ong Finance Manager ARA Asset Management Ltd	To help members sharpen their communication, presentation and leadership skills through enjoyable and interactive programmes.
	SIM II Toastmasters Club	Cecilia Nathen Currently unemployed	To help members sharpen their communication, presentation and leadership skills through enjoyable and interactive programmes.
	SIM Mandarin Toastmasters Club	Annie Chen Manager Orion Consultancy	To help members sharpen their communication, presentation and leadership skills through enjoyable and interactive programmes.

## Membership and Interest Group Activities

The professional interest groups (IGs) of SIM Society are the catalyst for membership activities and one of the best ways members were engaged. The eight professional IGs are organised to recognise major, individual streams of practice to serve the needs of the members with special interests.

The IGs ability to adapt and serve the needs of the Society is limitless, as was demonstrated in 2020 through their conduct of virtual events and activities to reach out to our members at home during the pandemic.

Here are the list of virtual events and activities that were held in 2020:



11 June

**ITG: Virtual Visit to Microsoft Beijing, China**

How Microsoft China IT deals with Covid-19 Pandemic



19 December

**Lasting Power of Attorney (LPA)**

24 June  
**BMG: The impact of Covid-19 on SME and Employee**

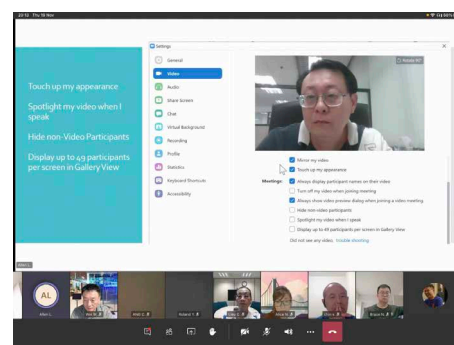
9 July  
**IQMG: Transformation of Real Estate Industry in Relation to COVID-19**

3 August  
**TESM: Economic Outlook – Bowing out the Dollar**

26 September  
**BMG: Understanding Natural Diet to Improve Self-immunity**



**The 54th Annual General Meeting was also held virtually on 27 August 2020.**



19 November

**ITG: Effective Use of Video Conferencing Software in the New Norm**



31 October

**HCIG: Design Thinking**



Unique Entity No. S64SS0050A

# Singapore Institute of Management Society and its Subsidiaries

## ANNUAL FINANCIAL STATEMENTS

31 DECEMBER 2020



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## **Singapore Institute of Management Society and its Subsidiaries**

### **Governing Council's statement**

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In the opinion of the Governing Council, the consolidated financial statements of Singapore Institute of Management Society and its subsidiaries (the "Group") and the statement of financial position, statement of comprehensive income and statement of changes in reserves and funds of Singapore Institute of Management Society (the "Society") as set out on pages 5 to 58 are drawn up so as to give a true and fair view of the financial position of the Group and Society as at 31 December 2020, and of the financial performance and changes in reserves and funds of the Group and Society and cash flows of the Group for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the Society will be able to pay its debts when they fall due.

On behalf of the Governing Council

Dr Rosemary Tan  
Chairman

Mr Stephen Yee  
Treasurer

29 April 2021



## **Singapore Institute of Management Society and its Subsidiaries**

### **Independent auditor's report**

**For the financial year ended 31 December 2020**

### **Independent auditor's report to the members of Singapore Institute of Management Society**

#### **Report on the audit of the financial statements**

##### **Opinion**

We have audited the financial statements of Singapore Institute of Management Society (the "Society") and its subsidiaries (collectively, the "Group"), which comprise the statement of financial position of the Society as at 31 December 2020, the statements of changes in reserves and funds and statements of comprehensive income of the Group and the Society and the consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying statement of financial position of the Society, the statements of changes in reserves and funds and statements of comprehensive income of the Group and the Society and the consolidated statement of cash flows of the Group are properly drawn up in accordance with the provisions of the Societies 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 2020 and of the financial performance, changes in reserves and funds and cash flows of the Group and Society 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 Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Other information**

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Singapore Institute of Management Society and its Subsidiaries**

### **Independent auditor's report**

**For the financial year ended 31 December 2020**

### **Independent auditor's report to the members of Singapore Institute of Management Society**

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#### **Responsibilities of management and the Society's Governing Council 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 and FRSSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The Society's Governing Council is responsible for overseeing the Group's financial reporting process.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of 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 Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

## **Singapore Institute of Management Society and its Subsidiaries**

### **Independent auditor's report**

**For the financial year ended 31 December 2020**

### **Independent auditor's report to the members of Singapore Institute of Management Society**

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#### **Auditor's responsibilities for the audit of the financial statements (cont'd)**

- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

#### **Report on other legal and regulatory requirements**

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

Ernst & Young LLP

Public Accountants and  
Chartered Accountants  
Singapore

29 April 2021



# Singapore Institute of Management Society and its Subsidiaries

## Statements of comprehensive income For the financial year ended 31 December 2020

For the financial year ended 31 December 2020					
		Group		Society	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
<b>Income</b>					
Course, conference and consultancy fees		28,696	180,168	730	4,662
Membership fees and services		198	653	198	679
Grant income		226	1,886	226	1,886
Rental income		4,882	30,279	4,862	30,089
Group corporate service income from subsidiaries		—	—	5,168	31,140
Group corporate service income from third party		1,983	14,463	1,983	14,463
Investment income	5	2,440	11,508	2,354	10,658
Other income		370	2,499	310	1,563
Other gains	8	1,126	—	3	—
Total income		39,921	241,456	15,834	95,140
<b>Expenditure</b>					
Course, conference and consultancy expenses		14,527	91,847	782	5,377
Donations to outside parties		3	62	—	54
Investment expenses	5	1,805	1,623	1,805	1,623
Administrative expenses	6	18,896	119,817	11,263	68,262
Finance expenses	7	200	1,195	—	—
Other losses	8	482,542	893	442,512	204
Total expenditure		517,973	215,437	456,362	75,520
Excess of (expenditure over income)/income over expenditure before income tax		(478,052)	26,019	(440,528)	19,620
Income tax expenses	10	(659)	(4,303)	(8)	—
Excess of (expenditure over income)/income over expenditure after income tax		(478,711)	21,716	(440,536)	19,620
<b>Other comprehensive income:</b>					
<i>Items that will not be reclassified subsequently to income and expenditure:</i>					
Funds received		—	10	—	—
<i>Items that may be reclassified subsequently to income and expenditure:</i>					
Net change in fair value arising from derivatives		119	(157)	—	—
Foreign currency translation		(1,104)	401	—	—
Other comprehensive income for the year, net of tax		(985)	254	—	—
Total comprehensive income for the year		(479,696)	21,970	(440,536)	19,620

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

# Singapore Institute of Management Society and its Subsidiaries

## Statements of financial position As at 31 December 2020

		<b>Group</b>	<b>Society</b>	
	<b>Note</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>ASSETS</b>				
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	11	206,470	–	178,568
Investment properties	12	645	–	645
Investment in subsidiaries	13	–	–	3,500
Prepayments		659	–	–
Loan to a subsidiary	18	–	–	28,745
Total non-current assets		207,774	–	211,458
<b>CURRENT ASSETS</b>				
Trade and other receivables	15	21,674	320	33,478
Unbilled receivables		502	–	502
Grant receivables		26	–	26
Prepayments		1,910	–	581
Derivatives	16	110	–	110
Financial assets at fair value through profit or loss	14	74,469	–	74,469
Cash and bank balances	17	267,108	1,356	139,381
Total current assets		365,799	1,676	248,547
<b>TOTAL ASSETS</b>		<b>573,573</b>	<b>1,676</b>	<b>460,005</b>
<b>LIABILITIES, RESERVES AND FUND BALANCES</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	19	26,019	1,578	11,183
Course and membership fees received in advance	4(b)	34,411	–	115
Grants received in advance		357	–	–
Deferred capital grants	20	1,259	–	1,259
Derivatives	16	119	–	–
Lease liabilities	22	652	–	–
Income tax payable		4,315	8	–
Total current liabilities		67,132	1,586	12,557

**Singapore Institute of Management Society and its Subsidiaries**

**Statements of financial position  
As at 31 December 2020**

		<b>Group</b>	<b>Society</b>	
	<b>Note</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
		<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>NET CURRENT ASSETS</b>		298,667	90	235,990
<b>NON-CURRENT LIABILITIES</b>				
Trade and other payables	19	740	–	–
Course and membership fees received in advance	4(b)	175	–	–
Deferred capital grants	20	6,822	–	6,822
Lease liabilities	22	19,135	–	–
Deferred tax liabilities	21	207	–	–
Total non-current liabilities		27,079	–	6,822
<b>TOTAL LIABILITIES</b>		94,211	1,586	19,379
<b>NET ASSETS</b>		479,362	90	440,626
<b>RESERVES AND FUND BALANCES</b>				
General fund:				
Accumulated surplus		478,801	90	440,626
Hedging reserve	16	(119)	–	–
Foreign currency translation reserve		221	–	–
		478,903	90	440,626
Other restricted funds	23	459	–	–
Total reserves and fund balances		479,362	90	440,626
<b>TOTAL LIABILITIES, RESERVES AND FUND BALANCES</b>		573,573	1,676	460,005

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*



**Singapore Institute of Management Society and its Subsidiaries**

**Statements of changes in reserves and funds  
For the financial year ended 31 December 2020**

		General fund			Other	
	Accumulated	Hedging	Foreign	Sub-	restricted	Total
	surplus	reserve	currency	Total	funds	
	\$'000	\$'000	reserve	\$'000	\$'000	\$'000
			\$'000			
<b>Group</b>						
Balance at 1 January 2019	457,085	38	(180)	456,943	449	457,392
Excess of income over expenditure	21,716	–	–	21,716	–	21,716
<u>Other comprehensive income</u>						
Net loss on fair value arising from derivatives	–	(157)	–	(157)	–	(157)
Funds received, net	–	–	–	–	10	10
Foreign currency translation	–	–	401	401	–	401
Other comprehensive income for the year	–	(157)	401	244	10	254
Total comprehensive income for the year	21,716	(157)	401	21,960	10	21,970
Balance at 31 December 2019 and 1 January 2020	478,801	(119)	221	478,903	459	479,362
Excess of expenditure over income	(478,711)	–	–	(478,711)	–	(478,711)
<u>Other comprehensive income</u>						
Net loss on fair value arising from derivatives	–	119	–	119	–	119
Funds received, net	–	–	–	–	–	–
Foreign currency translation	–	–	(1,104)	(1,104)	–	(1,104)
Other comprehensive income for the year	–	119	(1,104)	(985)	–	(985)
Total comprehensive income for the year	90	–	(883)	(793)	459	(334)
Less: Disposal of subsidiaries under common control (Note 13)	–	–	883	883	(459)	424
Balance at 31 December 2020	90	–	–	90	–	90

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Singapore Institute of Management Society and its Subsidiaries**

**Statements of changes in reserves and funds  
For the financial year ended 31 December 2020**

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	<b>Accumulated surplus \$'000</b>	<b>Total \$'000</b>
<b>Society</b>		
Balance at 1 January 2019	421,006	421,006
Excess of income over expenditure for the year, representing total comprehensive income for the year	19,620	19,620
	<hr/>	<hr/>
Balance at 31 December 2019 and 1 January 2020	440,626	440,626
Excess of expenditure over income for the year, representing total comprehensive income for the year	(440,536)	(440,536)
	<hr/>	<hr/>
Balance at 31 December 2020	90	90
	<hr/>	<hr/>

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

**Singapore Institute of Management Society and its Subsidiaries**

**Consolidated statement of cash flows**  
**For the financial year ended 31 December 2020**

	<b>Note</b>	<b>2020</b> \$'000	<b>2019</b> \$'000
<b>Operating activities</b>			
Excess of (expenditure over income)/income over expenditure before income tax		(478,052)	26,019
Adjustments for:			
Depreciation of property, plant and equipment (including right-of-use assets) and investment properties		5,575	34,347
Loss on disposal of property, plant and equipment	8	–	45
Loss on disposal of subsidiaries under common control	8	43,530	–
Loss on transfer of assets and liabilities to an entity under common control	8	439,012	–
Impairment of property, plant and equipment	11	–	359
Impairment loss on trade and other receivables	15	–	33
Investment (income)/expenses	5	(1,509)	661
Interest income	5	(809)	(5,686)
Dividend income	5	(21)	(423)
Fair value changes arising from financial assets at fair value through profit or loss	5	1,704	(4,437)
Fair value changes arising from derivatives		–	(215)
Amortisation of deferred capital grants		(211)	(1,259)
Finance cost	7	200	1,195
Foreign currency translation difference		(82)	(183)
Unrealised foreign exchange loss		–	(5)
<b>Operating cash flows before movements in working capital</b>		<b>9,337</b>	<b>50,451</b>
Trade and other receivables and grant receivables		(2,186)	6,017
Unbilled receivables		–	(502)
Prepayments		(2,206)	347
Trade and other payables		3,750	(5,517)
Course and membership fees received in advance		13,242	677
Other restricted funds		–	10
<b>Cash flows from operations</b>		<b>21,937</b>	<b>51,483</b>
Income tax paid		–	(3,652)
<b>Net cash flows generated from operating activities</b>		<b>21,937</b>	<b>47,831</b>
<b>Investing activities</b>			
Purchase of property, plant and equipment	11	(477)	(4,875)
Proceeds from disposal of property, plant and equipment		–	126
Proceed from disposal of derivatives		–	107
Withdrawal with fund manager		594	167
Transfer of cash and bank balances to an entity under common control		(288,876)	–
Interest received		1,156	4,434
Withdrawal of fixed deposits		8,025	39,660
<b>Net cash flows (used in)/generated from investing activities</b>		<b>(279,578)</b>	<b>39,619</b>



**Singapore Institute of Management Society and its Subsidiaries**

**Consolidated statement of cash flows**  
**For the financial year ended 31 December 2020**

	<b>Note</b>	<b>2020</b> \$'000	<b>2019</b> \$'000
<b>Financing activity</b>			
Payment of principal portion of lease liabilities		(96)	(349)
<b>Net cash flows used in financing activity</b>		(96)	(349)
Net (decrease)/increase in cash and cash equivalents		(257,737)	87,101
<b>Effect of exchange rate changes on cash and cash equivalents</b>		10	(136)
Cash and cash equivalents at the beginning of financial year		259,083	172,118
Cash and cash equivalents at the end of financial year	17	1,356	259,083

*The accompanying accounting policies and explanatory notes form an integral part of the financial statements.*

## **Singapore Institute of Management Society and its Subsidiaries**

### **Notes to the financial statements**

**For the financial year ended 31 December 2020**

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#### **1. General information**

Singapore Institute of Management Society (the "Society") is registered in Singapore, as a society under the Societies Act, Chapter 311.

The registered office and principal place of operations is located at 461 Clementi Road, Singapore 599491.

The principal activities of the Society comprise the provision of membership services to its members.

The principal activities of subsidiaries are disclosed in Note 13 to the financial statements.

On 1 March 2020, the Society has been dissolved as a charity. Consequently, the assets and liabilities of the Society are transferred to Singapore Institute of Management Group Limited ("SIMGL") on 1 March 2020. Following the transfer, the Society no longer has controls over the subsidiaries, all the subsidiaries have been deconsolidated from 1 March 2020.

#### **2. Summary of significant accounting policies**

##### **2.1 *Basis of preparation***

The consolidated financial statements of the Group have been prepared in accordance with the provisions of the Singapore Societies Act, Chapter 311 and Singapore Financial Reporting Standards ("FRS").

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

The financial statements are presented in Singapore Dollars (SGD or \$) and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

##### **2.2 *Adoption of new and amended standards***

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2020. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 December 2020

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## 2. Summary of significant accounting policies (cont'd)

### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to FRS 110 and FRS 28: <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	To be determined
Amendments to FRS 109: <i>Financial Instruments</i> , FRS 39: <i>Financial Instruments: Recognition and Measure</i> , FRS 107: <i>Financial Instruments: Disclosures</i> , FRS 104: <i>Insurance Contracts</i> , FRS 116: <i>Leases: Interest Rate Benchmark Reform - Phase 2</i>	1 January 2021
Amendments to FRS 16: <i>Property, Plant and Equipment-Proceeds before Intended Use</i>	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 103: <i>Reference to the Conceptual Framework</i>	1 January 2022
Amendments to FRS 37: <i>Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts - Cost of Fulfilling a Contract</i>	1 January 2022
Amendments to FRS 1 <i>Presentation of Financial Statements: Classification of Liabilities as Current or Non-current</i>	1 January 2023

The Governing Council expects that the adoption of the standards above will not have material impact on the financial statements in the period of initial application.

### 2.4 Basis of consolidation

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

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

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

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

**2. Summary of significant accounting policies (cont'd)**

**2.4 Basis of consolidation (cont'd)**

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

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

**2.5 Foreign currencies**

The financial statements are presented in Singapore Dollars, which is also the Society's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are measured in the respective functional currencies of the Society and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in income and expenditure.

On consolidation, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the dates of the transactions. The exchange differences arising on translation for consolidation are recognised in Other comprehensive income. On disposal of a foreign operation, the component of Other comprehensive income relating to that particular foreign operation is reclassified to income or expenditure.



**2. Summary of significant accounting policies (cont'd)**

**2.6 *Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold land, building and improvements	2% to 25%
Office equipment, furniture and fittings (excluding artifacts and paintings)	25%
Motor vehicles	20%
Computers	33.33%

Artifacts and paintings are not depreciated and are carried at cost less accumulated impairment loss.

Assets under construction included in computers are not depreciated as these assets are not yet available for use.

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 residual value, useful life and depreciation method are reviewed at each financial year-end, 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 income and expenditure in the year the asset is derecognised.

**2.7 *Investment properties***

Investment properties are properties that are owned by the Group that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are measured initially recorded at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is computed on a straight-line basis over the estimated useful life of the investment property. The depreciation rate is 2%.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in income and expenditure in the year of retirement or disposal.

**2. Summary of significant accounting policies (cont'd)**

**2.8 *Impairment of non-financial assets***

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups 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 income and expenditure.

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 income and expenditure unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

**2.9 *Subsidiaries***

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Society's financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

The consolidated financial statements incorporated the financial statements of the Society and corporation controlled by the Society (its subsidiaries).

**2.10 *Financial instruments***

**(a) *Financial assets***

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in income and expenditure.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

**2. Summary of significant accounting policies (cont'd)**

**2.10 Financial instruments (cont'd)**

**(a) Financial assets (cont'd)**

Subsequent measurement

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Society only have debt instruments at amortised cost and FVPL.

*Amortised cost*

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in income and expenditure when the assets are derecognised or impaired, and through amortisation process.

*Derivatives*

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in income and expenditure.

De-recognition

A financial asset is derecognised where 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 had been recognised in other comprehensive income for debt instruments is recognised in income and expenditure.

**(b) Financial liabilities**

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, 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 income and expenditure when the liabilities are derecognised, and through the amortisation process.

**2. Summary of significant accounting policies (cont'd)**

**2.10 Financial instruments (cont'd)**

**(b) Financial liabilities (cont'd)**

De-recognition

A financial liability is derecognised when the obligation under the liability is discharged or 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.

**(c) Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the balance sheets, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

**2.11 Impairment of financial assets**

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtor's ability to pay.

The Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.12 Cash and cash equivalents**

Cash and cash equivalents comprise of cash at bank and on hand, fixed deposits, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.



**2. Summary of significant accounting policies (cont'd)**

**2.13 Provisions**

Provisions are recognised when the Group and 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.

**2.14 Government grants**

Government grants are recognised as a receivable when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with.

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed.

When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

**2.15 Leases**

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**(a) As lessee**

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**Right-of-use assets**

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets between 12 and 50 years.

**2. Summary of significant accounting policies (cont'd)**

**2.15 Leases (cont'd)**

**(a) As lessee (cont'd)**

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note 2.8.

The Group's right-of-use assets are presented within property, plant and equipment (Note 11).

Lease liabilities

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of assets (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**(b) As lessor**

Leases in which Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.16(g). Contingent rents are recognised as revenue in the period in which they are earned.

**2. Summary of significant accounting policies (cont'd)**

**2.16 Revenue recognition**

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) *Course, conference and consultancy fees*

Course, conference and consultancy fees are recognised over the duration of the programs. Included in the course fees are application fees, boarding fees and admission package fees which are recognised over the duration of the programs.

(b) *Membership fees*

Membership fees are recognised over the membership term.

(c) *Group corporate service income*

Revenue from provision of group corporate services are recognised over the period of service.

(d) *Donations*

Donations are recognised in the financial year they are received.

(e) *Interest income*

Interest income is recognised on an accrual basis, by reference to the principal outstanding and at the effective interest rate applicable.

(f) *Dividend income*

Dividend income is recognised when the shareholders' rights to receive payment have been established.

(g) *Rental income*

Rental income is recognised on a straight-line basis over the term of the lease.

**2.17 Employee benefits**

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

**2. Summary of significant accounting policies (cont'd)**

**2.17 Employee benefits (cont'd)**

**(b) Employee leave entitlement**

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

**(c) Other employee benefits for Cambodia**

**Seniority pay**

In 2018, the Cambodia Ministry of Labour and Vocational Training's ("MoLVT") Prakas No 443 dated 21 September 2018 mandated the payment of seniority indemnity for unspecified duration contracted employees with implementation guidelines issued on 22 March 2019. The said Prakas requires seniority payment equal to fifteen days per year payable as follows:

- Equal to 7.5 days in June; and
- Equal to 7.5 days in December.

**2.18 Taxes**

**(a) Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, where the Group operates and generates taxable income.

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

**(b) Deferred tax**

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

**2. Summary of significant accounting policies (cont'd)**

**2.18 Taxes (cont'd)**

**(b) Deferred tax (cont'd)**

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income and expenditure; and
- In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable income and expenditure; and
- In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax relating to items recognised outside income and expenditure is recognised outside income and expenditure. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in reserves and funds and deferred tax arising from a business combination is adjusted against goodwill on acquisition.



**2. Summary of significant accounting policies (cont'd)**

**2.18 Taxes (cont'd)**

**(c) Goods and services tax ("GST")**

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

**2.19 Contingencies**

A contingent liability is:

- (a) a possible obligation 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 Group; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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 Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

**3. Significant accounting judgements and estimates**

The preparation of the Group's consolidated financial statements requires the Governing Council to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods. Governing Council is of the opinion that there is no significant judgement made in applying accounting policies and there is no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

4. Revenue

(a) *Disaggregation of revenue*

Group	Course, conference and consultancy fees		Membership fees and services		Group corporate services income from third party		Other income*		Total revenue	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segments</b>										
Primary geographical markets										
Singapore	27,862	176,321	198	653	1,983	14,463	3,909	13,671	33,952	205,108
Cambodia	834	3,847	—	—	—	—	27	336	861	4,183
	28,696	180,168	198	653	1,983	14,463	3,936	14,007	34,813	209,291
<b>Major service lines</b>										
Course, conference and consultancy fees	28,696	180,168	—	—	—	—	—	—	28,696	180,168
Membership fees and services	—	—	198	653	—	—	—	—	198	653
Group corporate services income from third party	—	—	—	—	1,983	14,463	—	—	1,983	14,463
Other income	—	—	—	—	—	—	3,936	14,007	3,936	14,007
	28,696	180,168	198	653	1,983	14,463	3,936	14,007	34,813	209,291
<b>Timing of transfer of services</b>										
At a point in time	—	—	—	—	—	—	3,936	14,007	3,936	14,007
Over time	28,696	180,168	198	653	1,983	14,463	—	—	30,877	195,283
	28,696	180,168	198	653	1,983	14,463	3,936	14,007	34,813	209,289

\* Other income excludes grant income and rental income.

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

4. Revenue (cont'd)

(a) *Disaggregation of revenue (cont'd)*

Society	Course, conference and consultancy fees		Membership fees and services		Group corporate services income		Other income*		Total revenue	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segments</b>										
Primary geographical markets										
Singapore	730	4,662	198	679	7,151	45,603	2,667	12,221	10,746	63,165
	730	4,662	198	679	7,151	45,603	2,667	12,221	10,746	63,165
<b>Major service lines</b>										
Course, conference and consultancy fees	730	4,662	—	—	—	—	—	—	730	4,662
Membership fees and services	—	—	198	679	—	—	—	—	198	679
Group corporate service income from subsidiaries	—	—	—	—	5,168	31,140	—	—	5,168	31,140
Group corporate services income from third party	—	—	—	—	1,983	14,463	—	—	1,983	14,463
Other income	—	—	—	—	—	—	2,667	12,221	2,667	12,221
	730	4,662	198	679	7,151	45,603	2,667	12,221	10,746	63,165
<b>Timing of transfer of services</b>										
At a point in time	—	—	—	—	—	—	2,667	12,221	2,667	12,221
Over time	730	4,662	198	679	7,151	45,603	—	—	8,079	50,944
	730	4,662	198	679	7,151	45,603	2,667	12,221	10,746	63,165

\* Other income excludes grant income and rental income.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 December 2020

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#### 4. Revenue (cont'd)

##### (b) *Course and membership fees received in advance*

Information about course and membership fees received in advance from contracts with customers are disclosed as follows:

	<b>Group 2019</b>	<b>Society 2020</b>	<b>Society 2019</b>
	\$'000	\$'000	\$'000
Course and membership fees received in advance:			
- Current	34,411	—	115
- Non-current	175	—	—
	<u>34,586</u>	<u>—</u>	<u>115</u>

Course and membership fees received in advance primarily relate to the Group's obligation to transfer services to students for which the Group has received advance payment from students for sale of course and membership services.

Course and membership fees received in advance are recognised as revenue as the Group performs under the contract.

Significant changes in course and membership fees received in advance are explained as follows:

	<b>Group 2020</b>	<b>Group 2019</b>	<b>Society 2020</b>	<b>Society 2019</b>
	\$'000	\$'000	\$'000	\$'000
Revenue recognised that was included in the course and membership fees received in advance balance at the beginning of the year	28,648	35,341	18	258

# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 5. Investment (income)/expenses

The following items have been included in arriving at the investment (income)/expenses:

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<i>Investment income</i>				
Dividend income from quoted equity securities	(21)	(423)	(21)	(423)
Fair value changes arising from investments in quoted equity and debt securities	–	(4,437)	–	(4,437)
Foreign exchange gain, net	(450)	(962)	(450)	(962)
Gain from sale of investments:				
- Quoted equity securities	(1,122)	–	(1,122)	–
- Quoted debt securities	(38)	–	(38)	–
Interest income from:				
- Cash held by fund manager	(2)	(21)	(2)	(21)
- Quoted debt securities	(205)	(1,394)	(205)	(1,394)
- Deposits	(602)	(4,271)	(270)	(2,106)
- Loan to a subsidiary	–	–	(246)	(1,315)
	<b>(2,440)</b>	<b>(11,508)</b>	<b>(2,354)</b>	<b>(10,658)</b>
<i>Investment expenses</i>				
Fair value changes arising from investments in quoted equity and debt securities	1,704	–	1,704	–
Loss from sale of investments:				
- Quoted equity securities	–	871	–	871
- Quoted debt securities	–	405	–	405
Fund manager's fee	99	309	99	309
Others	2	38	2	38
	<b>1,805</b>	<b>1,623</b>	<b>1,805</b>	<b>1,623</b>

**Singapore Institute of Management Society and its Subsidiaries**

**Notes to the financial statements**  
**For the financial year ended 31 December 2020**

**6. Administrative expenses**

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Employee benefits expense (Note 9)	10,299	63,856	4,576	26,363
Depreciation of property, plant and equipment (including right-of-use assets) (Note 11)	5,521	34,024	4,723	28,773
Depreciation of investment properties (Note 12)	54	323	54	323
Utilities and facility management expenses	2,252	14,102	1,608	10,239
Professional fees	181	1,683	74	747
Leases of premises	97	251	—	—
Small value assets	68	908	56	362
Travel expenses	66	1,068	27	164
Accommodation and per diem	1	793	6	12
Others	357	2,809	139	1,279
	<b>18,896</b>	<b>119,817</b>	<b>11,263</b>	<b>68,262</b>

**7. Finance expenses**

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Interest expense on lease liabilities	200	1,195	—	—



# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 8. Other (gains)/losses

	Group		Society	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
<i>Other gains</i>				
Gain on disposal of property, plant and equipment	(3)	—	(3)	—
Net foreign exchange gain	(1,123)	—	—	—
	(1,126)	—	(3)	—
<i>Other losses</i>				
Loss on disposal of property, plant and equipment	—	45	—	77
Net foreign exchange loss	—	489	—	127
Impairment loss on property, plant and equipment	—	359	—	—
Loss on disposal of subsidiaries under common control (Note 13)	43,530	—	—	—
Loss on transfer of assets and liabilities to an entity under common control (Note 13)	439,012	—	442,512	—
	482,542	893	442,512	204

### 9. Employee benefits expense

	Group		Society	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Wages and salaries	8,787	54,921	3,988	22,561
Defined contribution plans	1,259	6,689	501	2,913
Other short-term benefits	253	2,246	87	889
	10,299	63,856	4,576	26,363

# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 10. Income tax expenses

The Society is a registered charity until 29 February 2020 and enjoys automatic income tax exemption under section 13(1)(zm) of the Income Tax Act. From 1 March 2020 onwards, the Society has been dissolved as a charity and the income over expenditure is subject to Singapore corporate tax at 17%.

#### (a) Major components of income tax expense

The major components of income tax expense for the years ended 31 December 2020 and 2019 are:

	Group 2020 \$'000	Group 2019 \$'000	Society 2020 \$'000
<i>Current income tax</i>			
- Current year	659	4,314	8
- Over provision in respect of previous years	–	(11)	–
Income tax expense recognised in income and expenditure	659	4,303	8

#### (b) Relationship between tax expense and excess of (expenditure over income)/income over expenditure before tax

The reconciliation between the tax expense and the product of accounting profit before tax multiplied by the applicable corporate tax rate for the years ended 31 December 2020 and 2019 are as follows:

	Group 2020 \$'000	Group 2019 \$'000	Society 2020 \$'000
Excess of (expenditure over income)/ income over expenditure before tax	(478,052)	26,019	(440,528)
Tax at the domestic rates applicable to profits in the countries where the Group operates	(74,542)	4,423	(74,890)
<i>Adjustments:</i>			
Income not subject to taxation	(369)	(3,615)	(321)
Non-deductible expenses	75,110	533	75,228
Effect of partial tax exemption and tax relief	(8)	(36)	(9)
Deferred tax assets not recognised	469	3,010	–
Over provision in respect of previous years	–	(11)	–
Others	–	(1)	–
	659	4,303	8

In 2019, the Group has unutilised tax losses of approximately \$29,487,000, that are available for offset against future taxable profits for which no deferred tax asset has been recognised due to uncertainty of its recoverability. On 1 March 2020, the Group has unutilised tax losses of approximately \$26,543,000 transferred to SIMGL. The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation.

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

11. Property, plant and equipment

	Leasehold land \$'000	Building and improvements \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
<b>Group</b>						
<b>Cost:</b>						
At 1 January 2019	23,872	387,182	54,497	819	53,711	520,081
Additions	—	21,651	1,383	—	1,125	24,159
Disposals	—	(203)	(1,042)	(215)	(253)	(1,713)
Reclassification	—	(1,529)	865	—	664	—
Exchange differences	—	(341)	(34)	(8)	(3)	(386)
At 31 December 2019 and 1 January 2020	23,872	406,760	55,669	596	55,244	542,141
Additions	—	113	77	—	287	477
Disposals	—	—	—	—	(2)	(2)
Transfer of assets and liabilities to an entity under common control	(23,872)	(383,764)	(45,600)	(86)	(27,411)	(480,733)
Disposal of subsidiaries under common control	—	(23,894)	(10,258)	(527)	(28,146)	(62,825)
Exchange differences	—	785	112	17	28	942
At 31 December 2020	—	—	—	—	—	—

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

11. Property, plant and equipment (cont'd)

	Leasehold land \$'000	Building and improvements \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
<b>Group</b>						
<b>Accumulated depreciation:</b>						
At 1 January 2019	15,931	191,226	45,367	282	50,066	302,872
Depreciation for the year	721	27,248	3,473	142	2,440	34,024
Impairment	—	279	80	—	—	359
Disposals	—	(110)	(1,041)	(165)	(226)	(1,542)
Exchange differences	—	(24)	(11)	(3)	(4)	(42)
At 31 December 2019 and 1 January 2020	16,652	218,619	47,868	256	52,276	335,671
Depreciation for the year	120	4,451	571	20	359	5,521
Disposals	—	—	—	—	(2)	(2)
Transfer of assets and liabilities to an entity under common control	(16,772)	(220,504)	(43,002)	(59)	(26,090)	(306,427)
Disposal of subsidiaries under common control	—	(2,653)	(5,475)	(225)	(26,558)	(34,911)
Exchange differences	—	87	38	8	15	148
At 31 December 2020	—	—	—	—	—	—
<b>Net carrying amount:</b>						
At 31 December 2019	7,220	188,141	7,801	340	2,968	206,470
At 31 December 2020	—	—	—	—	—	—

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

11. Property, plant and equipment (cont'd)

	Leasehold land \$'000	Building and improvements \$'000	Office equipment, furniture and fittings \$'000	Motor vehicles \$'000	Computers \$'000	Total \$'000
<b>Society</b>						
<b>Cost:</b>						
At 1 January 2019	23,872	383,739	45,412	86	26,941	480,050
Additions	—	113	1,149	—	334	1,596
Disposals	—	(201)	(1,039)	—	(134)	(1,374)
At 31 December 2019 and 1 January 2020	23,872	383,651	45,522	86	27,141	480,272
Additions	—	113	78	—	270	461
Transfer of assets and liabilities to an entity under common control	(23,872)	(383,764)	(45,600)	(86)	(27,411)	(480,733)
At 31 December 2020	—	—	—	—	—	—
<b>Accumulated depreciation:</b>						
At 1 January 2019	15,931	191,163	42,418	39	24,663	274,214
Depreciation for the year	721	25,244	1,423	17	1,368	28,773
Disposals	—	(110)	(1,039)	—	(134)	(1,283)
At 31 December 2019 and 1 January 2020	16,652	216,297	42,802	56	25,897	301,704
Depreciation for the year	120	4,207	200	3	193	4,723
At 31 December 2020	—	—	—	—	—	—
<b>Net carrying amount:</b>						
At 31 December 2019	7,220	167,354	2,720	30	1,244	178,568
At 31 December 2020	—	—	—	—	—	—

# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 11. Property, plant and equipment (cont'd)

#### Assets under construction

In 2019, the Group and the Society's property, plant and equipment included \$926,000 and \$127,000 which relate to expenditure for improvement of information technology applications and leasehold land, building and improvements.

### 12. Investment properties

	<b>Group and Society</b>	
	<b>2020</b>	<b>2019</b>
	\$'000	\$'000
<b>Cost:</b>		
At 1 January	3,965	3,965
Transfer of assets and liabilities to an entity under common control (Note 13a)	(3,965)	–
At 31 December	–	3,965
<b>Accumulated depreciation:</b>		
At 1 January	3,320	2,997
Depreciation charge for the year	54	323
Transfer of assets and liabilities to an entity under common control (Note 13a)	(3,374)	–
At 31 December	–	3,320
<b>Net carrying amount</b>	–	645
<b>Statement of comprehensive income</b>		
Rental income from investment properties	110	890
Direct operating expenses (including repairs and maintenance) arising from revenue generating properties	53	323

The Group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment property or for repairs, maintenance or enhancements.

#### Valuation of investment properties

The fair value of the investment properties at 31 December 2019 was approximately \$41,000,000. The independent valuation was performed by an independent professional valuation firm. Details of valuation techniques and inputs used are disclosed in Note 26.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 December 2020

#### 13. Investment in subsidiaries

	<b>Society</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Unquoted equity shares, at cost	—	3,500

Details of the Society's subsidiaries at 31 December 2020 are as follows:

Name of subsidiary	Country of incorporation/ registration and operation	Principal activities	Proportion (%) of ownership interest and voting power	
			2020 %	2019 %
<b><i>Held by the Society</i></b>				
Singapore Institute of Management Holdings Pte. Ltd.	Singapore	Investment holding	—	100
SIM AEC Pte. Ltd.	Singapore	Engaged in course programs to train future entrepreneurs	—	100
<b><i>Held through Singapore Institute of Management Holdings Pte. Ltd.</i></b>				
Singapore Institute of Management Pte. Ltd.	Singapore	Engaged in higher and continuing education	—	100
Singapore Institute of Management International Pte. Ltd.	Singapore	Investment holding and providing management services for overseas ventures	—	100
SIM Xtension Pte. Ltd.	Singapore	Engaged in corporate training services and motivational course providers	—	100
<b><i>Held through Singapore Institute of Management International Pte. Ltd.</i></b>				
Singapore (Cambodia) International Academy Co., Ltd.	Kingdom of Cambodia	Engaged in operating international schools and providing enrichment programs	—	100

Effective from 1 March 2020, the Society ceased having control over its subsidiaries.



## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

#### 13. Investment in subsidiaries (cont'd)

On 1 March 2020, the Group undertook the following restructuring exercises:

##### (a) Transfer of assets and liabilities to Singapore Institute of Management Group Limited ("SIMGL")

On 1 March 2020, the Society has transferred its existing assets and liabilities as at 29 February 2020 to SIMGL at \$0 consideration. Both the Society and SIMGL are managed by the Governing Council, the transfer is between the Common Control parties and the pooling-of-interest method was used to account for the transfer of assets and liabilities. The difference between the consideration received and the net assets transferred by the Society is recorded as a loss in statement of comprehensive income.

	<b>Carrying amounts as of 01.03.2020</b>
	\$'000
<b>Assets</b>	
Property, plant and equipment	174,306
Investment properties	591
Investment in subsidiaries	3,500
Trade and other receivables	30,062
Loan to a subsidiary	30,095
Unbilled receivables	5,300
Grant receivables	229
Prepayments	960
Financial assets at fair value through profit or loss	74,294
Cash and bank balances	138,843
	<hr/> 458,180
<b>Liabilities</b>	
Trade and other payables	(7,187)
Course fees received in advance	(116)
Deferred grant income	(218)
Deferred capital grants	(7,870)
Derivatives	(277)
	<hr/> (15,668)
Total identifiable net assets	<hr/> 442,512 <hr/>
Total consideration received	<hr/> — <hr/>
Loss on transfer of assets and liabilities to an entity under common control (Society) (Note 8)	<hr/> 442,512 <hr/>
Less: Investment in subsidiaries	<hr/> (3,500) <hr/>
Loss on transfer of assets and liabilities to an entity under common control (Group) (Note 8)	<hr/> 439,012 <hr/>

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

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#### 13. Investment in subsidiaries (cont'd)

##### (a) Transfer of assets and liabilities to Singapore Institute of Management Group Limited ("SIMGL") (cont'd)

	Carrying amounts as of 01.03.2020
<u>Effect of the transfer on cashflow</u>	
Total consideration received	—
Less: Transferred of cash and bank balances	(138,843)
Net cash outflow on the transfer date	<u>(138,843)</u>

##### (b) Disposal of subsidiaries under common control

On 1 March 2020, the Society disposed 100% of equity interest in its subsidiaries as listed below to SIMGL:

- (i) 100% equity interests representing 2,500,001 shares of Singapore Institute of Management Holding Pte. Ltd. ("SIMH"), a subsidiary held by the Society.
- (ii) 100% equity interest representing 1,000,000 shares of SIM AEC Pte. Ltd., a subsidiary held by the Society.
- (iii) 100% equity interest representing 2,500,000 shares of Singapore Institute of Management Pte. Ltd., a subsidiary held by SIMH.
- (iv) 100% equity interest representing 1 share of Singapore Institute of Management International Pte. Ltd. ("SIMI"), a subsidiary held by SIMH.
- (v) 100% equity interest representing 1 share of SIM Xtension Pte. Ltd., a subsidiary held by SIMH.
- (vi) 100% equity interest representing 25,000 shares of Singapore (Cambodia) International Academy Co., Ltd., a subsidiary held by SIMI.

As all the above companies are managed by the Society, and both the Society and SIMGL are managed by the Governing Council, the above disposal were considered as between Common Control entities and the pooling-of-interest method was used for the disposal of subsidiaries.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

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#### 13. Investment in subsidiaries (cont'd)

##### (b) Disposal of subsidiaries under common control (cont'd)

The carrying value of assets and liabilities of the subsidiaries as at 1 March 2020 were:

	Carrying amounts as at 01.03.2020 \$'000
<b>Assets</b>	
Property, plant and equipment	27,914
Trade and other receivables	2,937
Prepayments	3,826
Cash and bank balances	150,033
	<hr/> 184,710
<b>Liabilities</b>	
Trade and other payables	(68,030)
Course fees received in advance	(47,537)
Government grants received in advance	(305)
Lease liabilities	(20,560)
Income tax payable	(4,965)
Deferred tax liabilities	(207)
	<hr/> (141,604)
Total identifiable net assets at fair value	<hr/> 43,106
Foreign currency reserve	883
Other restricted funds	(459)
	<hr/>
Loss on transfer of assets and liabilities to subsidiaries under common control	<hr/> 43,530
	<hr/>
<u>Effect of the transfer on cashflow</u>	
Total consideration received	—
Less: Transfer of cash and bank balances	(150,033)
	<hr/>
Net cash outflow on the transfer date	<hr/> (150,033)

# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 14. Financial assets at fair value through profit or loss

	<b>Group 2019</b>	<b>Society 2020</b>	<b>Society 2019</b>
	\$'000	\$'000	\$'000
Quoted debt securities	33,914	–	33,914
Quoted equity securities	19,267	–	19,267
Unit trusts	21,288	–	21,288
	<b>74,469</b>	<b>–</b>	<b>74,469</b>

In 2019, the quoted debt securities managed by the fund managers earned interest at rates ranging from 2.80% to 5.0% per annum as at the balance sheet date.

### 15. Trade and other receivables

	<b>Group 2019</b>	<b>Society 2020</b>	<b>Society 2019</b>
	\$'000	\$'000	\$'000
Trade receivables			
(Course and membership fees receivables)	1,722	6	695
Less: Expected credit loss	(263)	–	–
Trade receivables, net	1,459	6	695
Amount due from subsidiaries	–	–	14,333
Group corporate services income due from third party	17,792	–	17,792
Staff loan	1	–	1
Rental receivable	33	–	–
Interest receivable	814	–	563
Dividend receivable	40	–	40
Deposits	230	–	11
Other receivables	1,305	314	43
Total trade and other receivables	21,674	320	33,478
Less: Net GST receivables	–	(3)	–
	21,674	317	33,478
Add: Cash and bank balances (Note 17)	267,108	1,356	139,381
Add: Unbilled receivables	502	–	502
Add: Loan to a subsidiary (Note18)	–	–	28,745
<b>Total financial assets carried at amortised cost</b>	<b>289,284</b>	<b>1,673</b>	<b>202,106</b>

Course fees receivable, rental receivable and group corporate services income due from third party are non-interest bearing and are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

#### 15. Trade and other receivables (cont'd)

Amount due from subsidiaries are trade, repayable upon demand and are to be settled in cash.

##### *Expected credit loss model*

The movement in allowance for expected credit losses of trade receivables and unbilled receivables computed based on lifetime ECL are as follows:

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<u>Movement in allowance accounts:</u>				
At 1 January	(263)	(289)	—	(31)
Charge for the year	—	(33)	—	(28)
Written off	—	59	—	59
Disposal of subsidiaries under common control	263	—	—	—
At 31 December	—	(263)	—	—

Trade and other receivables denominated in foreign currencies as at 31 December are as follows:

	<b>Group</b>	<b>Society</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Euro	114	—	—
United States Dollar	1,117	—	33

#### 16. Derivatives

In 2019, the Group uses foreign exchange forward contracts to manage some of its transaction exposures. The foreign exchange forward contracts are not designated as cash flow hedges and are entered into for periods consistent with foreign currency exposure of the underlying transactions.

	<b>2019</b>		
	<b>Contract/ Notional amount</b>	<b>Assets</b>	<b>Liabilities</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group</b>			
Forward foreign exchange contracts			
- Buy United States Dollar (USD)/Sell SGD	4,429	—	119
- Buy SGD/Sell USD	8,312	110	—
		110	119

# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 16. Derivatives (cont'd)

	Contract/ Notional amount \$'000	2019	
		Assets \$'000	Liabilities \$'000
<b>Society</b>			
Forward foreign exchange contracts			
- Buy SGD/Sell USD	8,312	110	—
		110	—

#### *Foreign currency risk*

Forward foreign exchange contracts entered into by the Group and Society were used to hedge foreign currency risk arising from the Group and Society's investments and future payments denominated in foreign currency.

While the Group entered into forward foreign exchange contracts with the intention to reduce the foreign exchange risk of expected receipts and payments, these contracts were not designated in hedge relationships and are measured at fair value through profit or loss. The maturity dates of these contracts were ranging from 9 January 2020 to 31 January 2020.

### 17. Cash and bank balances

	Group 2019 \$'000	Society	
		2020 \$'000	2019 \$'000
Cash and bank balances	122,880	1,356	77,869
Cash held by fund manager	2,218	—	2,218
Fixed deposits	142,010	—	59,294
	267,108	1,356	139,381

In 2019, fixed deposits are interest bearing at average rates ranging from 1.43% to 1.94% per annum and are for a tenure of approximately 31 days to 182 days.

Cash and cash equivalents comprise cash on hand and at bank, cash held by fund manager and short-term fixed deposits with maturity period of up to 3 months.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

#### 17. Cash and bank balances (cont'd)

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	<b>Group 2019 \$'000</b>	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
Cash on hand and at bank	122,880	1,356	77,869
Cash held by fund manager	2,218	—	2,218
Fixed deposits (with maturity period of up to 3 months)	133,985	—	59,294
	<b>259,083</b>	<b>1,356</b>	<b>139,381</b>

In 2019, pledged deposits amounting to \$1,060,000 are for a tenure of 31 days which have been pledged to banks to secure bank facilities

Cash and bank balances denominated in foreign currencies as at 31 December are as follows:

	<b>Group 2019 \$'000</b>	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
Australian Dollar	84	—	—
Sterling Pound	106	—	—
United States Dollar	794	—	116

#### 18. Loan to a subsidiary

	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
Loan to a subsidiary	—	28,745

In 2019, loan to a subsidiary of \$28,745,000 are unsecured, bear interests of 5% per annum and are to be settled in cash. These loans are repayable in 5 instalments commencing from 2024.



# Singapore Institute of Management Society and its Subsidiaries

## Notes to the financial statements

For the financial year ended 31 December 2020

### 19. Trade and other payables

	<b>Group 2019 \$'000</b>	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
Trade payables	3,662	–	1,096
Other payables	1,009	1,561	1,645
Accruals	21,467	17	7,830
Deposits received	621	–	612
<b>Total trade and other payables</b>	<b>26,759</b>	<b>1,578</b>	<b>11,183</b>
Less: GST payable, net	(1,314)	–	(1,251)
<b>Total financial liabilities carried at amortised cost</b>	<b>25,445</b>	<b>1,578</b>	<b>9,932</b>
<b>Represented by:</b>			
Current	26,019	1,578	11,183
Non-current	740	–	–
	<b>26,759</b>	<b>1,578</b>	<b>11,183</b>

Trade and other payables are non-interest bearing and normally settled on 30 to 90 days' term.

Non-current liabilities mainly related to the obligation arising from sponsorship income received.

Trade and other payables denominated in foreign currencies as at 31 December are as follows:

	<b>Group 2019 \$'000</b>	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
Australian Dollar	3	–	–
Euro	85	–	–
Sterling Pound	(206)	–	8
United States Dollar	157	–	14

**Singapore Institute of Management Society and its Subsidiaries**

**Notes to the financial statements**

**For the financial year ended 31 December 2020**

**20. Deferred capital grants**

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 January	8,081	9,340	8,081	9,340
Amortisation of deferred capital grants	(211)	(1,259)	(211)	(1,259)
Transfer of liabilities to an entity under common control (Note 13)	(7,870)	–	(7,870)	–
At 31 December	–	8,081	–	8,081
Represented by:				
Current	–	1,259	–	1,259
Non-current	–	6,822	–	6,822
	–	8,081	–	8,081

**21. Deferred tax liabilities**

Deferred tax liabilities as at 31 December relates to the following:

	<b>Group</b>		
	<b>Statement of financial position</b>	<b>Statement of comprehensive income</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b><i>Deferred tax liabilities</i></b>			
Differences in depreciation for tax purposes	207	–	–
Net deferred tax liabilities	207		
<b>Deferred tax expense</b>		–	–

Notes to the financial statements  
For the financial year ended 31 December 2020

**22. Right-of-use assets/lease liabilities**

***Group as a lessee***

The Group has lease contract for property used in its operations. Lease of properties have lease term of 15 to 25 years. The Group's obligations under its lease are secured by the lessor's title to the leased assets. This lease contract that include extension and termination options and variable lease payments.

The Group also has certain leases with lease terms of 12 months or less and leases of low-value assets. The Group applies the 'short-term lease' and 'lease of low-value assets' recognition exemptions for these leases.

Set out below are the carrying amounts of right-of-use assets recognised and the movements during the year:

	<b>Group</b>			
	<b>2020</b>		<b>2019</b>	
	<b>Leasehold land</b>	<b>Building</b>	<b>Leasehold land</b>	<b>Building</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
At 1 January	7,220	17,694	7,941	19,284
Depreciation expense	(120)	(210)	(721)	(1,315)
Exchange differences	–	590	–	(275)
Transfer of assets and liabilities to an entity under common control	(7,100)	–	–	–
Disposal of subsidiaries under common control	–	(18,074)	–	–
At 31 December	–	–	7,220	17,694

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
At 1 January	19,787	19,237
Accretion of interest	200	1,195
Payments	(96)	(349)
Exchange differences	670	(296)
Transfer of assets to subsidiaries under common control	(20,561)	–
At 31 December	–	19,787
Represented by:		
Current	–	652
Non-current	–	19,135
	–	19,787

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements For the financial year ended 31 December 2020

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#### 22. Right-of-use assets/lease liabilities (cont'd)

##### *Group as a lessee (cont'd)*

The following are the amounts recognised in income and expenditure:

	2020 \$'000	2019 \$'000
Depreciation expense of right-of-use assets	210	1,315
Interest expenses on lease liabilities	200	1,195
Expenses relating to short-term leases (included in administrative expenses and course, conference and consultancy fee)	98	309
Expenses relating to leases of low-value assets (included in administrative expenses)	15	155
Total amount recognised in income and expenditure	523	2,974

The Group had total cash outflows for leases of \$96,000 (2019: \$349,000). In 2019, the Group also had non-cash additions to right-of-use assets and lease liabilities of \$18,242,000 and \$21,358,000 respectively.

#### 23. Other restricted funds

Name of fund	Purpose
Sponsorship awards fund	To receive sponsorships for the purpose of awarding scholarships, medals, prizes to deserving students.

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

#### 24. Related parties transactions

In addition to the related parties information disclosed elsewhere in the financial statements, the following significant transactions between the Society and related parties took place on terms agreed between the parties during the financial year:

	<b>Society</b>	
	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Group corporate service income from subsidiaries (Note 4)	5,168	31,140
Loan interest income from a subsidiary	246	1,315

#### **Compensation of key management personnel**

The remuneration of key management during the year was as follows:

	<b>Group</b>		<b>Society</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Short-term benefits	1,091	7,756	643	4,273
Contributions to Central Provident Fund	49	416	28	237
	<b>1,140</b>	<b>8,172</b>	<b>671</b>	<b>4,510</b>

The Human Capital Committee annually reviews and approves on behalf of the Governing Council the guidelines and quantum of incentive payments and annual increments for all staff.

Key management personnel comprises chief executive officers, directors and equivalent.

Number of key management personnel and immediate family members in remuneration bands for the Group is shown below:

	<b>2020</b>	<b>2019</b>
\$800,001 to \$900,000	—	1
\$700,001 to \$800,000	—	—
\$600,001 to \$700,000	—	—
\$500,001 to \$600,000	—	—
\$400,001 to \$500,000	—	1
\$300,001 to \$400,000	—	4
\$200,001 to \$300,000	—	15
\$100,001 to \$200,000	1	10
\$100,000 and below	27	8
	<b>28</b>	<b>39</b>

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

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#### 25. Capital commitments

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	<b>Group</b>	<b>Society</b>	
	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Capital commitments in respect of property, plant and equipment	980	—	895

#### 26. Fair value of financial assets and liabilities

##### (a) *Fair value hierarchy*

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Notes to the financial statements  
For the financial year ended 31 December 2020

26. Fair value of financial assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value*

The following table shows an analysis of each class of assets and liabilities measured at fair value at the end of the reporting period.

	Note	Fair value measurements at the end of the reporting period using			Total \$'000
		Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant un-observable inputs (Level 3)	
		\$'000	\$'000	\$'000	
<b>Group 2019</b>					
<b><i>Assets measured at fair value</i></b>					
<i>Financial assets:</i>					
<u>Derivatives</u>					
Forward foreign exchange contracts	16	—	110	—	110
<u>Financial assets at fair value through profit or loss</u>	14				
Quoted debt securities		33,914	—	—	33,914
Quoted equity securities		19,267	—	—	19,267
Unit trusts		—	21,288	—	21,288
<b>Financial assets as at 31 December 2019</b>		<b>53,181</b>	<b>21,398</b>	<b>—</b>	<b>74,579</b>
<b><i>Liabilities measured at fair value</i></b>					
<i>Financial liabilities:</i>					
<u>Derivatives</u>					
Forward foreign exchange contracts	16	—	119	—	119
<b>Financial liabilities as at 31 December 2019</b>		<b>—</b>	<b>119</b>	<b>—</b>	<b>119</b>

The following is a description of the valuation techniques and inputs used in the fair value measurement for assets and liabilities that are categorised within level 2 of the fair value hierarchy:

26. Fair value of financial assets and liabilities (cont'd)

(b) *Assets and liabilities measured at fair value (cont'd)*

*Forward foreign exchange contracts*

Derivatives are valued using a valuation technique with market observable inputs. The most frequently applied valuation technique includes a forward pricing model, using present value calculations. The model incorporates various inputs including the foreign exchange spot and forward rates and interest rate curves. There were no credit value or debit value adjustments made in the determination of fair value of these securities.

*Unit trusts*

Investment in the unit trusts offers the Group the opportunity for return through the funds from interest and dividend income from the underlying securities assets and fair value gains. The fair values of the unit trusts are determined as the fund net asset values provided by the fund managers at the last market day of the financial year. The net asset values approximate the fair values as the funds which comprise mainly financial assets at fair value through profit and loss and other monetary assets.

(c) *Assets and liabilities not measured at fair value but for which fair value is disclosed*

The following table shows an analysis of the Group's assets and liabilities not measured at fair value, for which fair value is disclosed:

		Group Fair value measurements at the end of the reporting period using				Carrying amount
	Note	Quoted prices in active markets for identical instruments Level 1 \$'000	Significant observable inputs other than quoted prices Level 2 \$'000	Significant un- observable inputs Level 3 \$'000	Total \$'000	
<b>2019</b>						
<b>Assets</b>						
Investment properties	12	—	41,000	—	41,000	645

Determination of fair value

The valuation of commercial investment properties are based on comparable market transactions that consider sales of similar properties that have been transacted in the open market.



**26. Fair value of financial assets and liabilities (cont'd)**

**(d) Financial instruments whose carrying amount approximates fair value**

The carrying amounts of cash and bank balances, trade and other receivables (current), unbilled receivables, course fees received in advance and trade and other payables (current), based on their notional amounts, reasonably approximate their fair values because they are short-term in nature.

**27. Financial risk management objectives and policies**

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include foreign currency risk, interest rate risk, credit risk, liquidity risk and market price risk.

The Governing Council reviews and agrees policies and procedures for the management of these risks, which are executed by the Head of Treasury. The Audit and Risk Committee provides independent oversight to the effectiveness of the risk management process. It is, and has been throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

**(a) Foreign exchange risk**

The Group's foreign currency exposures arise mainly from the exchange rate movements of the Australian Dollar, Euro, Sterling Pound and United States Dollar against the Singapore Dollar.

At the end of the reporting period, the carrying amounts of monetary assets and liabilities denominated in currencies other than the Group's and Society's functional currency are as follows:

	<b>Group</b>	
	<b>Assets</b>	<b>Liabilities</b>
	<b>2019</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>
Australian Dollar	86	3
Euro	114	85
Sterling Pound	106	(206)
United States Dollar	1,911	157

	<b>Society</b>			
	<b>Assets</b>		<b>Liabilities</b>	
	<b>2020</b>	<b>2019</b>	<b>2020</b>	<b>2019</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Sterling Pound	—	—	—	8
United States Dollar	—	116	—	14

27. Financial risk management objectives and policies (cont'd)

(a) *Foreign exchange risk (cont'd)*

Sensitivity analysis for foreign currency risk

If the relevant foreign currency strengthens by 10% against the functional currency of each Group entity, without considering the effect of the derivative financial instruments, income and expenditure will increase/(decrease) by:

	Group Income and expenditure 2019 \$'000	Society Income and expenditure 2020 \$'000	2019 \$'000
Australian Dollar	8	—	—
Euro	3	—	—
Sterling Pound	31	—	(1)
United States Dollar	175	—	10

If the relevant foreign currency weakens by 10% against the functional currency of each Group entity, there will be an equal and opposite impact on income and expenditure.

In the Governing Council's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

(b) *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest bearing assets. All financial assets and liabilities at year end bear no interest except for cash at bank, fixed deposits and quoted debt securities.

*Interest rate sensitivity analysis*

The sensitivity analysis has been determined based on the exposure to interest rates for cash at bank, fixed deposits and quoted debt securities balances at the end of the reporting period and the stipulated change taking place at the beginning of the respective financial year. A 100 basis point increase or decrease represents management's assessment of the possible change in interest rate.

If interest rates had been 100 basis points higher/lower with all the other variables held constant, the Group's and Society's net surplus would increase/decrease by approximately \$10,000 and \$10,000 respectively (2019: \$2.86 million and \$1.59 million respectively).

(c) *Credit risk*

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and Society's exposure to credit risk arises primarily from course fees receivables, other receivables and other related parties. For other financial assets (including cash at bank and derivatives), the Group and Society minimise credit risk by dealing exclusively with high credit rating counterparties.

**27. Financial risk management objectives and policies (cont'd)**

**(c) Credit risk (cont'd)**

The Group and Society has adopted a policy of only dealing with creditworthy counterparties. The Group and Society performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group and Society considers the probability of default upon initial recognition of asset and whether there has been significant increase in credit risk on an ongoing basis throughout each reporting period.

The Group and Society has determined the default event on a financial asset to be when internal and or external information indicates that the financial asset is unlikely to be received, which generally is when there is significant difficulty of the counterparty. Financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is evidence indicating that the debtor meets the above credit-impaired conditions and has no realistic prospect of recovery.

The Group and Society provides for lifetime expected credit losses for all course fees receivables and other receivables using a provision matrix. Based on the historical observed default rates and incorporating forward looking information such as forecast of economic conditions, the Society's expected credit loss was assessed to be minimal.

Summarised below in the information about the credit risk exposure on the Group's trade and other receivables and unbilled receivables using provision matrix:

	<b>Current</b>	<b>Less than 90 days</b>	<b>More than 90 days</b>	<b>Total</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Group 2020</b>				
Gross carrying amount	314	—	6	320
<b>2019</b>				
Gross carrying amount	8,898	8,213	5,328	22,439
Loss allowance provision	(6)	(7)	(250)	(263)

**27. Financial risk management objectives and policies (cont'd)**

**(d) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group and the Society maintain sufficient cash and cash equivalents, and internally generated cash flows to finance their activities.

*Non-derivative financial instruments*

The table below summarises the maturity profile of the Group's and the Society's financial assets used for managing liquidity risk and financial liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	Note	Within one year \$'000	Between one to five years \$'000	More than 5 years	Total \$'000
<b>2019</b>					
<b>Financial assets:</b>					
Derivatives	16	110	—	—	110
Financial assets at fair value through profit or loss	14	74,469	—	—	74,469
Trade and other receivables	15	21,674	—	—	21,674
Unbilled receivables		502	—	—	502
Cash and bank balances	17	267,108	—	—	267,108
Total undiscounted financial assets		363,863	—	—	363,863
<b>Financial liabilities:</b>					
Derivatives	16	119	—	—	119
Trade and other payables	19	24,705	740	—	25,445
Course and membership fees received in advance	4(b)	34,411	175	—	34,586
Lease liabilities	22	652	7,058	23,608	31,318
Total undiscounted financial liabilities		59,887	7,973	23,608	91,468
Net undiscounted financial assets		303,976	(7,973)	(23,608)	272,395

Singapore Institute of Management Society and its Subsidiaries

Notes to the financial statements  
For the financial year ended 31 December 2020

27. Financial risk management objectives and policies (cont'd)

(d) *Liquidity risk (cont'd)*

Society	Note	Within one year \$'000	Between one to five years \$'000	More than 5 years	Total \$'000
<b>2020</b>					
<b>Financial assets:</b>					
Trade and other receivables	15	317	–	–	317
Cash and bank balances	17	1,356	–	–	1,356
Total undiscounted financial assets		1,673	–	–	1,673
<b>Financial liabilities:</b>					
Trade and other payables	19	1,578	–	–	1,578
Total undiscounted financial liabilities		1,578	–	–	1,578
Net undiscounted financial assets		95	–	–	95
<b>2019</b>					
<b>Financial assets:</b>					
Derivatives	16	110	–	–	110
Financial assets at fair value through profit or loss	14	74,469	–	–	74,469
Trade and other receivables	15	33,478	–	–	33,478
Unbilled receivables		502	–	–	502
Cash and bank balances	17	139,381	–	–	139,381
Loan to a subsidiary	18	–	5,749	22,996	28,745
Total undiscounted financial assets		247,940	5,749	22,996	276,685
<b>Financial liabilities:</b>					
Trade and other payables	19	9,932	–	–	9,932
Course and membership fees received in advance	4(b)	115	–	–	115
Total undiscounted financial liabilities		10,047	–	–	10,047
Net undiscounted financial assets		237,893	5,749	22,996	266,638

**27. Financial risk management objectives and policies (cont'd)**

**(e) Market price risk**

The Group is exposed to price risk arising from quoted equity securities held by the fund manager.

Further details of these investments can be found in Note 14 to the financial statements.

*Price sensitivity analysis*

In respect of the investment in quoted equity securities, if the prices had been 10% higher/lower, this would increase/decrease the Group's income and expenditure by \$1.9 million in 2019.

**(f) Categories of financial instruments**

The following table sets out the financial instruments as at the end of the reporting period:

	<b>Group 2019 \$'000</b>	<b>Society 2020 \$'000</b>	<b>2019 \$'000</b>
<i>Financial assets:</i>			
Financial assets at fair value through profit or loss	74,469	–	74,469
Financial assets carried at amortised cost	289,310	1,673	202,132
Derivatives	110	–	110
	<b>363,889</b>	<b>1,673</b>	<b>276,711</b>
<i>Financial liabilities</i>			
Financial liabilities at amortised cost	25,445	1,578	9,932
Course and membership fees received in advance	34,586	–	115
Derivatives	119	–	–
Lease liabilities	19,787	–	–
	<b>79,937</b>	<b>1,578</b>	<b>10,047</b>

## Singapore Institute of Management Society and its Subsidiaries

### Notes to the financial statements

For the financial year ended 31 December 2020

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#### 28. Comparative notes

Certain reclassification has been made to the comparative figures to enhance comparability with the current year's financial statements. As a result, the following line items have been reclassified:

	Group		Society	
	As previously reported 2019 \$'000	As restated 2019 \$'000	As previously reported 2019 \$'000	As restated 2019 \$'000
<b>Income</b>				
Rental income	2,412	30,279	2,222	30,089
Group corporate service income from third party	42,330	14,463	42,330	14,463
	44,742	44,742	44,552	44,552

#### 29. Capital management

The Society is mainly funded from revenue generated from membership services. The Society manages its capital structure and makes adjustments to it, in light of changes in economic conditions.

#### 30. Authorisation of financial statements for issue

The consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in reserves and funds of the Society for the year ended 31 December 2020 were authorised for issue by the Governing Council at their meeting on 29 April 2021.





**SIM** SOCIETY

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