



INTO THE **NEXT**



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## About SIM 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 58-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

The year was again spent living with COVID-19 restrictions that continued to disrupt our personal and professional lives, requiring us to adjust our lifestyles and livelihoods. Despite the challenges imposed by this prolonged pandemic, the Governing Council (GC) remained firmly committed and focused on establishing a vibrant community and revitalising engagement programmes for our members.

Our professional interest groups (IGs) have adapted well to the new normal and successfully conducted their activities and meetings online. The IG Executive Committees (EXCOs) and the IG network have contributed significantly towards members' engagement with their tireless planning and organising of events throughout the year. In recognition of their efforts, we have introduced a digital badge credentialing and awarded all IG EXCOs currently serving their term in office. I would like to specially acknowledge the HCIG EXCOs who crystallised and promoted this excellent initiative. I look forward to making further headways with all IGs.

On behalf of SIM Society, I would also like to express gratitude to the late Ms Yang Sao Ping, our former and valued member, and her family for the generous donation received in November 2021. Ms Yang was an avid learner who partook in numerous SIM programmes and events throughout her membership tenure and was an epitome of lifelong learning. To honour her relentless pursuit of learning, the GC will strive to deploy the funds towards worthy causes that expound the Society's advocacy for continuous professional and personal development. Further plans to commemorate Ms Yang's contributions are also in the works.

We have heard you. From the members' survey that was commissioned last year, we have gathered useful insights and taken recommended steps to retain current members and attract new ones through more initiatives and engagement activities. One such development was the launch of a fireside chat series - Kopi Chat. The inaugural event was held online in November 2021 and was well-received and attended by members.

Going forward, I remain hopeful that the year 2022 will bring some semblance of pre-pandemic normalcy. We continue to embark on strengthening our membership programmes and services, building stronger relationships and deeper engagements with our members, and leading the Society into a new era of communal learning to realise aspirations.

## Dr Rosemary Tan

Chairman

SIM Society Governing Council

“ I remain hopeful that the year 2022 will bring some semblance of pre-pandemic normalcy. We continue to embark on strengthening our membership programmes and services, building stronger relationships and deeper engagements with our members, and leading the Society into a new era of communal learning to realise aspirations. ”



# 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



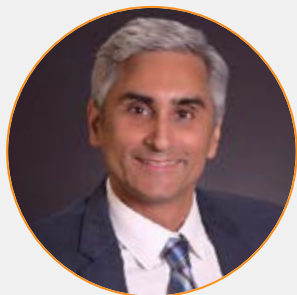
Mr Stephen Yee

### 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<sup>1</sup>

	2021 (\$'000)	2020 (\$'000)
Income	829	15,834
Expenditure	391	456,362
<b>Excess of income over expenditure / (Excess of expenditure over income)</b>	<b>438</b>	<b>(440,528)</b>

<sup>1</sup> For the year ended 31 December 2021.

## SIM Society Membership Profiles

Category	Number of Members
Honorary Fellow	8
Ordinary	506
Associate	527
Silver (Retired)	16
Corporate Members	126
<b>Total number of Members</b>	<b>1,183</b>

### Honorary Fellows

Professor Cham Tao Soon

Dr Richard Eu Keng Mun

Mr Hochstadt Herman R

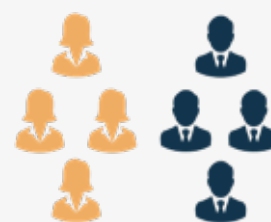
Mr Hsieh Fu Hua

Mr Pillay J Y

Mr Shaw Vee Meng

Mr Wee Cho Yaw

Dr John Yip Soon Kwong



**1,183**  
SIM Society  
Members



## SIM Society Professional Interest Groups

Interest Group	President	Objective
 <b>Business Management Group</b>	<b>Chin Sin Boon</b>	To sharpen members' business management skills and help members optimise their professional performance and potential.
 <b>Human Capital Interest Group</b>	<b>Sharon Seet</b> Regional HR Director, APAC World Courier	It is the vision of HCIG to be that platform for our members, human capital and organisational development practitioners to learn, share and grow their careers in an ever-changing business environment.
 <b>Information Technology Group</b>	<b>Loh Khin Marn</b> Director Genesis Networks Pte Ltd	Promotes the use of IT to achieve competitive edge and seek out the latest trends, development, applications and implications for businesses, work and personal lives.
 <b>Innovation &amp; Quality Management Group</b>	<b>Goh Hock Wah</b> Senior HSES Specialist FMC Technologies Singapore Pte Ltd	Envisions to be the premier network of practitioners to embrace quality and innovative concepts and methodologies among organisations and individuals in Singapore.
 <b>The Entrepreneurship &amp; Strategic Management Group</b>	<b>Derrick Kon</b> Director CEO Solutions Pte Ltd	To promote keen leadership, entrepreneurship and strategic skills for that edge in business.
 <b>SIM I Toastmasters Club</b>	<b>Dr Foo Say Wei</b> Director SW Global Enterprise	To help members sharpen communication, presentation and leadership skills through enjoyable and interactive programmes.
 <b>SIM II Toastmasters Club</b>	<b>Tan Ngak Wang</b>	To help members sharpen communication, presentation and leadership skills through enjoyable and interactive programmes.
 <b>SIM Mandarin Toastmasters Club</b>	<b>Wang Xiao Pei</b> Director Xin Yu Culture Links (SG) Pte Ltd	To help members sharpen communication, presentation and leadership skills through enjoyable and interactive programmes.

# Membership and Professional Interest Group Activities

The professional Interest Groups (IGs) of SIM Society are the catalyst for membership activities. Their events provided one of the best platforms for the engagement of members throughout the year.

The eight professional IGs, organised to recognise major and individual streams of practice, served the needs of like-minded members within their area of interests.

The IGs' ability to adapt and serve the needs of our members has contributed to the making of a vibrant SIM Society. In 2021, the IGs organised the following virtual events and activities:



## Business Management Group (BMG)



📅 16 January

▲ 2021 Feng Shui Talk



📅 24 April

▲ Digital Transformation in SME



📅 24 July

◀ Understanding Insurance



**HCiG** Human Capital Interest Group (HCIG)



📅 23 February

▲ Preparing for Post-pandemic Digital Transformation



📅 17 April

▲ Winning Career Mindset and Toolset- Tips for Job Hunters and Those Looking for Career Change



📅 30 July

▲ Webinar Series - Your Game, Your Call: Future-proof Your Skills to Thrive in an Endemic Tomorrow



📅 12 November

▲ A.C.E. Your Health While You Work From Home

**iQM** Innovation & Quality Management Group (IQMG)



📅 10 June

◀ Innovate and Build a Lasting Company

**ITG** Information Technology Group (ITG)



📅 25 June

▲ Managing Data Risk in a VUCA Environment



📅 26 November

▲ Seizing Opportunities for a Better Future



## The Entrepreneurship & Strategic Management (TESM) Group



📅 14 April

▲ **Mobile Numerology – Harness the Power of Numbers to Achieve More With Less**



📅 18 June

▲ **Managing Projects Successfully for Entrepreneurs**



## SIM II Toastmasters Club

📅 1 October

▶ **Cybersecurity: Same Battleground, New Strategy**



## Jointly organised



📅 19 January

▲ **3 Reasons Why Digital Transformation Will Fail in Many Companies**  
By TESM & ITG



📅 18 September

▲ **Understanding HDB Resale Flats**  
By BMG & IQMG

## Kopi Chat Series (Inaugural event)

SIM SOCIETY KOPI CHAT SERIES



📅 29 November

◀ **Impact of Digital Transformation on Our Lifestyle**



**ANNUAL  
FINANCIAL  
STATEMENTS**  
31 DECEMBER 2021

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## Singapore Institute of Management Society

### Governing Council's statement

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In the opinion of the Governing Council, the financial statements of Singapore Institute of Management Society (the "Society") are drawn up so as to give a true and fair view of the financial position of the Society as at 31 December 2021, and of the financial performance and changes in reserves and funds and cash flows of the Society 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

31 March 2022



## **Singapore Institute of Management Society**

### **Independent auditor's report For the financial year ended 31 December 2021**

#### **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"), which comprise the statement of financial position of the Society as at 31 December 2021, the statement of changes in reserves and funds and statement of comprehensive income of and the statement of cash flows of the Society 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 statement of changes in reserves and funds and statement of comprehensive income and the statement of cash flows of the Society 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 2021 and of the financial performance, changes in reserves and funds and cash flows of the 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 Society in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### **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**

### **Independent auditor's report For the financial year ended 31 December 2021**

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

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

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

The Society's Governing Council is responsible for overseeing the Society'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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

**Singapore Institute of Management Society**

**Independent auditor's report  
For the financial year ended 31 December 2021**

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

**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.

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*

Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

31 March 2022

## Singapore Institute of Management Society

### Statement of comprehensive income For the financial year ended 31 December 2021

	Note	2021 \$'000	2020 \$'000
<b>Income</b>			
Course, conference and consultancy fees		300	730
Membership fees and services		104	198
Grant income		–	226
Rental income		–	4,862
Group corporate service income from subsidiaries		–	5,168
Group corporate service income from third party		–	1,983
Investment income	5	–	2,354
Other income		425	313
Total income	4	829	15,834
<b>Expenditure</b>			
Course, conference and consultancy expenses		370	782
Investment expenses	5	–	1,805
Administrative expenses	6	21	11,263
Other losses	7	–	442,512
Total expenditure		391	456,362
Excess of income over expenditure /(expenditure over income) before income tax		438	(440,528)
Income tax expenses	9	(1)	(8)
Excess of income over expenditure/(expenditure over income) after income tax, representing total comprehensive income for the year		437	(440,536)

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

**Singapore Institute of Management Society**

**Statement of financial position  
As at 31 December 2021**

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	<b>Note</b>	<b>2021</b>	<b>2020</b>
		<b>\$'000</b>	<b>\$'000</b>
<b>CURRENT ASSETS</b>			
Trade and other receivables	10	332	320
Prepayments		7	–
Cash and bank balances	11	693	1,356
Total current assets		1,032	1,676
<b>TOTAL ASSETS</b>		<b>1,032</b>	<b>1,676</b>
<b>CURRENT LIABILITIES</b>			
Other payables	12	473	1,578
Membership fees received in advance		31	–
Income tax payable		1	8
Total current liabilities		505	1,586
<b>TOTAL LIABILITIES</b>		<b>505</b>	<b>1,586</b>
<b>NET ASSETS</b>		<b>527</b>	<b>90</b>
<b>FUND BALANCES</b>			
General fund:			
Accumulated surplus		527	90
Total fund balances		527	90
<b>TOTAL LIABILITIES AND FUND BALANCES</b>		<b>1,032</b>	<b>1,676</b>

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



**Singapore Institute of Management Society**

**Statement of changes in reserves and funds  
For the financial year ended 31 December 2021**

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	<b>Accumulated surplus \$'000</b>
Balance at 1 January 2020	440,626
Excess of income over expenditure for the year, representing total comprehensive income for the year	(440,536)
Balance at 31 December 2020 and 1 January 2021	<hr/> 90
Excess of expenditure over income for the year, representing total comprehensive income for the year	437
Balance at 31 December 2021	<hr/> <hr/> 527

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

**Singapore Institute of Management Society**

**Statement of cash flows**  
**For the financial year ended 31 December 2021**

	Note	2021 \$'000	2020 \$'000
<b>Operating activities</b>			
Excess of income over expenditure/(expenditure over income) before income tax		438	(440,528)
Adjustments for:			
Depreciation of property, plant and equipment (including right-of-use assets) and investment properties		–	4,777
Loss on transfer of assets and liabilities to an entity under common control	7	–	442,512
Investment (income)/expenses	5	–	(1,509)
Interest income	5	–	(723)
Dividend income	5	–	(21)
Fair value changes arising from financial assets at fair value through profit or loss	5	–	1,704
Amortisation of deferred capital grants		–	(211)
<b>Operating cash flows before movements in working capital</b>		438	6,001
Trade and other receivables		(11)	(2,937)
Prepayments		(7)	(379)
Other payables		(1,106)	(2,272)
Membership fees received in advance	4(b)	31	0
<b>Cash flows (used in)/from operations</b>		(655)	413
Income tax paid		(8)	–
<b>Net cash flows generated (used in)/from operating activities</b>		(663)	413
<b>Investing activities</b>			
Purchase of property, plant and equipment		–	(461)
Withdrawal with fund manager		–	594
Transfer of cash and bank balances to an entity under common control		–	(138,843)
Interest received	5	–	272
<b>Net cash flows used in investing activities</b>		–	(138,438)
Net decrease in cash and cash equivalents		(663)	(138,025)
Cash and cash equivalents at the beginning of financial year		1,356	139,381
Cash and cash equivalents at the end of financial year	11	693	1,356

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

## **Singapore Institute of Management Society**

### **Notes to the financial statements For the financial year ended 31 December 2021**

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

Singapore Institute of Management Society (the "Society") was 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.

On 1 March 2020, the Society was dissolved as a charity. Consequently, the assets and liabilities of the Society were 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 had been deconsolidated from 1 March 2020.

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

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

The financial statements of the Society have been prepared in accordance with the provisions of the Singapore Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore ("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 Society has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

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

**2.3 Standards issued but not yet effective**

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

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
77	1 January 2022
Annual Improvements to FRSs 2018-2020	1 January 2022
Amendments to FRS 3: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 37: Onerous Contracts- Cost of Fulling a contract	1 January 2022
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimates	1 January 2023
Amendments to FRS 101 and FRS Practice statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 10 and FRS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

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 Foreign currencies**

The financial statements are presented in Singapore Dollars, which is also the Society's functional currency.

Transactions in foreign currencies are measured in the functional currency of the Society and are recorded on initial recognition in the functional currency 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.

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

**2.5 Financial instruments**

(a) *Financial assets*

Initial recognition and measurement

Trade receivables are measured at the amount of consideration to which the Society 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.

Subsequent measurement

*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.

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) *Non-derivative financial liabilities*

Initial recognition

The Society initially recognises all financial liabilities on the trade date, which is the date that the Society becomes a party to the contractual provisions of the instrument.

Such non-derivative financial liabilities are initially measured at fair value less directly attributable transaction costs.

Subsequent measurement

After initial recognition, such financial liabilities are subsequently measured at amortised cost using the effective interest method. These financial liabilities comprised trade and other payables and accrued expenses.

Derecognition

The Society derecognises a financial liability when its contractual obligations are discharged, cancelled, or expired.



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

**2.6 Impairment of financial assets**

The Society 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 Society 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 Society applies a simplified approach in calculating ECLs. Therefore, the Society does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Society 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 Society may also consider a financial asset to be in default when internal or external information indicates that the Society is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Society. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

**2.7 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.

**2.8 Provisions**

Provisions are recognised when the Society has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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

**2.9 Revenue recognition**

Revenue is measured based on the consideration to which the Society 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 Society 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. Summary of significant accounting policies (cont'd)**

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

**2.11 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 Society; 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 Society.

Contingent liabilities and assets are not recognised on the statement of financial position of the Society, 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 Society's 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.

The 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 year.

Singapore Institute of Management Society

Notes to the financial statements  
For the financial year ended 31 December 2021

4. Revenue

(a) *Disaggregation of revenue*

	Course, conference and consultancy fees		Membership fees and services		Group corporate services income		Other income*		Total revenue	
	2021	2020	2021	2020	2021	2020	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Segments</b>										
Primary geographical markets										
Singapore	300	730	104	198	–	7,151	425	2,667	829	10,746
<b>Major service lines</b>										
Course, conference and consultancy fees	300	730	–	–	–	–	–	–	300	730
Membership fees and services	–	–	104	198	–	–	–	–	104	198
Group corporate service income from subsidiaries	–	–	–	–	–	5,168	–	–	–	5,168
Group corporate services income from third party	–	–	–	–	–	1,983	–	–	–	1,983
Other income	–	–	–	–	–	–	425	2,667	425	2,667
	300	730	104	198	–	7,151	425	2,667	829	10,746
<b>Timing of transfer of services</b>										
At a point in time	–	–	–	–	–	–	425	2,667	425	2,667
Over time	300	730	104	198	–	7,151	–	–	404	8,079
	300	730	104	198	–	7,151	425	2,667	829	10,746

\* Other income excludes grant income and rental income.



## Singapore Institute of Management Society

### Notes to the financial statements For the financial year ended 31 December 2021

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

##### (b) *Membership fees received in advance*

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

	2021	2020
	\$'000	\$'000
Membership fees received in advance	31	–

Membership fees received in advance primarily relate to the Society's obligation to transfer services to members for which the Society has received advance payment for membership services.

#### 5. Investment (income)/expenses

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

	2021	2020
	\$'000	\$'000
<i>Investment income</i>		
Dividend income from quoted equity securities	–	(21)
Foreign exchange gain, net	–	(450)
Gain from sale of investments:		
- Quoted equity securities	–	(1,122)
- Quoted debt securities	–	(38)
Interest income from:		
- Cash held by fund manager	–	(2)
- Quoted debt securities	–	(205)
- Deposits	–	(270)
- Loan to a subsidiary	–	(246)
	–	(2,354)
<i>Investment expenses</i>		
Fair value changes arising from investments in quoted equity and debt securities	–	1,704
Fund manager's fee	–	99
Others	–	2
	–	1,805

**Singapore Institute of Management Society**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**6. Administrative expenses**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Employee benefits expense (Note 8)	–	4,576
Depreciation of property, plant and equipment (including right-of-use assets)	–	4,723
Depreciation of investment properties	–	54
Utilities and facility management expenses	–	1,608
Professional fees	10	74
Small value assets	–	56
Travel expenses	–	27
Accommodation and per diem	–	6
Others	11	139
	<u>21</u>	<u>11,263</u>

**7. Other losses**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Loss on transfer of assets and liabilities to an entity under common control	–	442,512
	<u>–</u>	<u>442,512</u>

**8. Employee benefits expense**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Wages and salaries	–	3,988
Defined contribution plans	–	501
Other short-term benefits	–	87
	<u>–</u>	<u>4,576</u>

## Singapore Institute of Management Society

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 9. Income tax expenses

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

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

The major components of income tax expense for the years are:

	2021	2020
	\$'000	\$'000
<i>Current income tax</i>		
- Current year	1	8
Income tax expense recognised in income and expenditure	<u>1</u>	<u>8</u>

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

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 2021 and 2020 are as follows:

	2021	2020
	\$'000	\$'000
Excess of income over expenditure/(expenditure over income) before tax	<u>438</u>	<u>(440,528)</u>
Tax calculated at a tax rate of 17% (2020: 17%)	74	(74,890)
<i>Adjustments:</i>		
Income not subject to taxation	(72)	(321)
Non-deductible expenses	-	75,228
Effect of partial tax exemption and tax relief	(1)	(9)
	<u>1</u>	<u>8</u>

**Singapore Institute of Management Society**

**Notes to the financial statements  
For the financial year ended 31 December 2021**

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**10. Trade and other receivables**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Trade receivables	325	6
Other receivables	7	314
	<hr/>	<hr/>
Total trade and other receivables	332	320
Less: Net GST receivables	(7)	(3)
	<hr/>	<hr/>
Add: Cash and bank balances (Note 11)	693	1,356
	<hr/>	<hr/>
Total financial assets carried at amortised cost	<u>1,018</u>	<u>1,673</u>

Trade receivables are generally on 30 days' terms. They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Allowance for expected credit loss

The allowance for expected credit loss on trade receivables is not significant as at 31 December 2021 and 2020.

**11. Cash and bank balances**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Cash and bank balances	693	1,356
	<hr/>	<hr/>

Cash at bank are denominated in Singapore Dollars and are non-interest bearing.

**12. Other payables**

	<b>2021</b>	<b>2020</b>
	\$'000	\$'000
Other payables	461	1,561
Accruals	12	17
	<hr/>	<hr/>
Total other payables	473	1,578
	<hr/>	<hr/>
Total financial liabilities carried at amortised cost	<u>473</u>	<u>1,578</u>

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

## Singapore Institute of Management Society

### Notes to the financial statements For the financial year ended 31 December 2021

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#### 13. 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:

	2021 \$'000	2020 \$'000
Group corporate service income from subsidiaries (Note 4)	–	5,168
Loan interest income from a subsidiary	–	246
	<hr/>	<hr/>

#### *Compensation of key management personnel*

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

	2021 \$'000	2020 \$'000
Short-term benefits	–	643
Contributions to Central Provident Fund	–	28
	<hr/>	<hr/>
	–	671

The Governing Council did not receive any form of remuneration from the Society during the financial year.

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

#### 14. Financial risk management objectives and policies

The Society is exposed to financial risks arising from its operations. The key financial risks include foreign currency risk, credit risk and liquidity risk.

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

##### (a) *Foreign currency risk*

The financial assets and financial liabilities of the Society are denominated in Singapore dollars. The Society has no significant exposure to foreign currency risk.

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

**(b) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The 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 Society minimise credit risk by dealing exclusively with high credit rating counterparties.

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

The 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 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 probably 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 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.

**(c) Liquidity risk**

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

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

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

(d) *Liquidity risk (cont'd)**Non-derivative financial instruments*

The table below summarises the maturity profile of 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.

	Note	Within one year \$'000	Between one to five years \$'000	More than 5 years \$'000	Total \$'000
<b>2021</b>					
<b>Financial assets:</b>					
Trade and other receivables	10	325	–	–	325
Cash and bank balances	11	693	–	–	693
Total undiscounted financial assets		1,018	–	–	1,018
<b>Financial liabilities:</b>					
Other payables	12	473	–	–	473
Total undiscounted financial liabilities		473	–	–	473
Net undiscounted financial assets		545	–	–	545
<b>2020</b>					
<b>Financial assets:</b>					
Trade and other receivables	10	317	–	–	317
Cash and bank balances	11	1,356	–	–	1,356
Total undiscounted financial assets		1,673	–	–	1,673
<b>Financial liabilities:</b>					
Other payables	12	1,578	–	–	1,578
Total undiscounted financial liabilities		1,578	–	–	1,578
Net undiscounted financial assets		95	–	–	95



**15. 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.

**16. Authorisation of financial statements for issue**

The financial statements of the Society for the year ended 31 December 2021 were authorised for issue by the Governing Council at their meeting on 31 March 2022.



**SIM** SOCIETY

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