

SIM SOCIETY

*Forging
Ahead*

Singapore Institute of
Management Society
Annual Report 2022

CONTENTS

- 01 About Singapore Institute of Management Society
- 02 Chairman's Message
- 03 Corporate Governance
- 04 Year in Review
- 09 Financial Statements



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 59-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 its members.



Corporate Information

Unique Entity Number
S64SS0050A

Registered Address
SIM Campus
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

Three years of living with the pandemic have gone by, since my team and I took office as members of the Governing Council (GC).

In 2020, efforts were made to fulfill the mission of SIM Society and to strengthen its value proposition for all members. We had to quickly make sense of the state and aspirations of our members, set our priorities and worked hard to stay relevant. In the midst of all this, we also had to tackle the disruptions that the pandemic brought and, without much choice, accept the isolating impact it had on all our interactions.

The following year, staying adaptable became second nature. We started to go about life with the understanding that our new reality involved making space for and living with COVID-19. Our professional interest groups (IGs) showed resilience, adapted well to the new normal and continued with their activities and stay connected online.

I truly appreciate the effort put in by all the IGs' executive committee (EXCO) members who found creative ways to stay connected with their respective IG members. While in-person interactions, events and celebrations were at a standstill, it has compelled us to find different ways of making online interactions meaningful. No experience comes without its challenges.

However, entering yet another year of minimal face-to-face interaction was not ideal and at times, disheartening. But we pressed on. In 2022, after being restricted to online events for a long time, we were finally able to be in the same room with other members for face-to-face events. It was refreshing yet bittersweet and reminded me of the little things we used to take for granted before the onset of the pandemic.

If there is one thing that has been amplified through the pandemic, it would be how connecting through technology could never match up to the warmth and authenticity of meeting in person. While the immediate future remains uncertain, our biggest hope is that the lifting of restrictions would remain and spur more physical interactions.

The silver linings of the past years have provided us with a renewed sense of hope and the determination to forge ahead. With anticipation of the brighter outlook, we are encouraged to continue with in-person events and engaging members with greater vigour than before.

Once again, thank you for your unwavering support towards the work of the GC members as well as IG EXCO members that have the well-being of our members at heart.

Dr Rosemary Tan

Chairman

SIM Society Governing Council

“ The silver linings of the past years have provided us with a renewed sense of hope and the determination to forge ahead. With anticipation of the brighter outlook, we are encouraged to continue with in-person events and engaging members with greater vigour than before. ”



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 and 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



Mr Allen Lee

MEMBERS



Mr Tan Swee Heng



Ms Catherine Yeow

HONORARY CHAIRMAN



The late Dr Richard Eu Keng Mun

Year In Review

Financial Highlights¹

	2022 (\$'000)	2021 (\$'000)
Income	828	829
Expenditure	632	391
Excess of income over expenditure / (Excess of expenditure over income)	196	438

¹ For the year ended 31 December 2022.

SIM Society Membership Profiles

Category	Number of Members
Honorary Fellow	7
Ordinary	559
Associate	520
Silver (Retired)	24
Corporate	120
Total number of Members	1,230

Honorary Fellows

Professor Cham Tao Soon

The late 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



1,230

SIM Society
Members



SIM Society Professional Interest Groups

Interest Group	President	Objective
 Business Management Group	Chin Sin Boon	To sharpen members' business management skills and help them optimise their professional performance and potential.
 Human Capital Interest Group	Sharon Seet Regional HR Director, APAC World Courier	To be a platform for members, human capital and organisational development practitioners to learn, share and grow their careers in an ever-changing business environment.
 Information Technology Group	Dr Tan Kow Wah PBM Managing Director AKW International Pte Ltd	To promote the use of IT to achieve a competitive edge and seek out the latest trends, development, applications and implications for businesses, work and personal lives.
 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	To promote keen leadership, entrepreneurship and strategic skills for that edge in business.
 SIM I Toastmasters Club	Dr Foo Say Wei Director SW Global Enterprise	To help members sharpen communication, presentation and leadership skills through enjoyable and interactive programmes.
 SIM II Toastmasters Club	Rosalind Ho Dental Surgeon, Shenton Dental Surgery	To help members sharpen communication, presentation and leadership skills through enjoyable and interactive programmes.
 SIM Mandarin Toastmasters Club	Xu Ying Director Hengrun Business Management 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 provide one of the best platforms for member engagement throughout the year.

The eight professional IGs, organised to recognise major and individual streams of practice, serve 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 2022, the IGs organised the following events and activities:



Business Management Group (BMG)



📅 8 January

▲ Preparation of Home-cooked Prosperity Poon Choi



📅 15 January

▲ 2022 Feng Shui Talk



📅 7 May

▲ Life Rebirth



📅 24 September

▲ Digitalisation in SMEs

HCiG Human Capital Interest Group (HCIG)



📅 28 April

▲ Increasing your Likeability Quotient for Success



📅 28 July

▲ Driving Innovation & Change in HR – The Role of IHRP



📅 7 December

▲ Leader's Barriers to Talent Development

iQM Innovation & Quality Management Group (IQMG)



📅 29 June

▲ Innovate with Multiple Marketing Strategies & Emerge Stronger from Competition

ITG Information Technology Group (ITG)



📅 24 February

▲ Top 5 Tech Trends to Look Out for in 2022



📅 1 July

▲ Stop the Scammers!



📅 7 December

▲ Capturing the Festive Mood of Christmas Lighting



The Entrepreneurship & Strategic Management (TESM) Group



22 March

◀ An Inflation to Transform the Global Order



SIM II Toastmasters Club

20 May

▶ Thriving in A VUCA Environment



SIM Society and SIM Centre for Systems Leadership

31 August

▶ SIM Society Leadership Forum
Leadership in our Complex World
– Sense-making & Forging Ahead



Kopi Chat Series (Inaugural event)

SIM SOCIETY KOPICHAT SERIES



29 September

◀ SIM Society Kopi Chat Series
PIVOT – Transforming your Team & Organisation for Success

Singapore Institute of
Management Society

FINANCIAL
STATEMENTS
31 DECEMBER 2022



Unique Entity No. S64SS0050A

Singapore Institute of Management Society

Annual Financial Statements
31 December 2022



Singapore Institute of Management Society

Index

	Page
Governing Council's statement	1
Independent auditor's report	2
Statement of comprehensive income	5
Statement of financial position	6
Statement of changes in reserves and funds	7
Statement of cash flows	8
Notes to the financial statements	9

Singapore Institute of Management Society

Governing Council's statement

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 2022, 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

Rosemary Tan

Dr Rosemary Tan
Chairman

Stephen Yee

Mr Stephen Yee
Treasurer

20 April 2023

Singapore Institute of Management Society

Independent auditor's report For the financial year ended 31 December 2022

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 2022, statement of comprehensive income, the statement of changes in reserves and funds 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 Singapore Societies Act 1966 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Society as at 31 December 2022 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 2022

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 2022**

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

20 April 2023

Singapore Institute of Management Society**Statement of comprehensive income
For the financial year ended 31 December 2022**

	Note	2022 \$'000	2021 \$'000
Income			
Service income		700	300
Membership fees		124	104
Other income		4	425
Total income	4	828	829
Expenditure			
Operating expenses	5	537	370
Administrative expenses	6	95	21
Total expenditure		632	391
Excess of income over expenditure before income tax		196	438
Income tax expenses	7	(16)	(1)
Excess of income over expenditure after income tax, representing total comprehensive income for the year.		180	437

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 2022**

	Note	2022	2021
		\$'000	\$'000
CURRENT ASSETS			
Trade and other receivables	8	35	332
Prepayments		7	7
Cash and bank balances	9	766	693
Total current assets		808	1,032
TOTAL ASSETS		808	1,032
CURRENT LIABILITIES			
Other payables	10	85	473
Membership fees received in advance		–	31
Income tax payable		16	1
Total current liabilities		101	505
TOTAL LIABILITIES		101	505
NET ASSETS		707	527
FUND BALANCES			
General fund:			
Accumulated surplus		707	527
Total fund balances		707	527
TOTAL LIABILITIES AND FUND BALANCES		808	1,032

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 2022**

	Accumulated surplus \$'000
At 1 January 2021	90
Excess of income over expenditure after income tax for the year, representing total comprehensive income for the year	437
At 31 December 2021 and 1 January 2022	527
Excess of income over expenditure after income tax for the year, representing total comprehensive income for the year	180
At 31 December 2022	707

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 2022**

	Note	2022	2021
		\$'000	\$'000
Operating activities			
Excess of income over expenditure before income tax		196	438
<u>Adjustment for:</u>			
Interest income		(4)	–
Operating cash flows before changes in working capital		<u>192</u>	<u>438</u>
Trade and other receivables		300	(11)
Prepayments		–	(7)
Other payables		(388)	(1,106)
Membership fees received in advance	4(b)	(31)	31
Cash flows generated from/(used in) operations		<u>73</u>	<u>(655)</u>
Income tax paid		(1)	(8)
Net cash flows generated from/(used in) operating activities		<u>72</u>	<u>(663)</u>
Investing activities			
Placement of fixed deposits	9	(400)	–
Interest received		1	–
Net cash flows used in investing activities		<u>(399)</u>	<u>–</u>
Net decrease in cash and cash equivalents		(327)	(663)
Cash and cash equivalents at the beginning of financial year		693	1,356
Cash and cash equivalents at the end of financial year	9	<u>366</u>	<u>693</u>

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 2022

1. General information

Singapore Institute of Management Society (the "Society") was registered in Singapore, as a society under the Singapore Societies Act 1966.

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.

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 1966 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 2022. The adoption of these standards did not have any material effect on the financial performance or position of the Society.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
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 1: Classification of Liabilities as Current or Non-current	1 January 2024

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.

2.5 *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.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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

2.5 *Financial instruments (cont'd)*

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

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.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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 fair value through profit or loss (“FVTPL”). 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 bank balances*

Cash and bank balances comprise of cash at bank, 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.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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) *Service income*

Service income is recognised over the duration of the service rendered on a straight-line basis.

(b) *Membership fees*

Membership fees are recognised over the membership term.

(c) *Donations*

Donations are recognised in the financial year they are received.

(d) *Interest income*

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

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. 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.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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

2.10 Taxes (cont'd)

(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.

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.

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.

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 the 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 equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

(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.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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 2022**

4. Revenue

(a) *Disaggregation of revenue*

	Membership fees		Service income		Other income		Total revenue	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Segments								
Primary geographical markets								
Singapore	124	104	700	300	4	425	828	829
Timing of transfer of services								
At a point in time	–	–	–	–	4	425	4	425
Over time	124	104	700	300	–	–	824	404
	124	104	700	300	4	425	828	829

Singapore Institute of Management Society

**Notes to the financial statements
For the financial year ended 31 December 2022**

4. Revenue (cont'd)

(b) *Membership fees received in advance*

	2022	2021
	\$'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. Operating expenses

	2022	2021
	\$'000	\$'000
Membership fees	523	369
Others	14	1
	<u>537</u>	<u>370</u>

6. Administrative expenses

	2022	2021
	\$'000	\$'000
Professional fees	12	10
Membership system license and maintenance	77	7
Others	6	4
	<u>95</u>	<u>21</u>

7. Income tax expenses

(a) *Major components of income tax expense*

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

	2022	2021
	\$'000	\$'000
<i>Current income tax</i>		
- Current year	16	1
Income tax expense recognised in income and expenditure	<u>16</u>	<u>1</u>

Singapore Institute of Management Society

**Notes to the financial statements
For the financial year ended 31 December 2022**

7. Income tax expenses (cont'd)

(b) ***Relationship between tax expense and excess of 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 2022 and 31 December 2021 are as follows:

	2022	2021
	\$'000	\$'000
Excess of income over expenditure before tax	196	438
Tax calculated at a tax rate of 17% (2021: 17%)	33	74
<i>Adjustments:</i>		
Income not subject to taxation	–	(72)
Effect of partial tax exemption and tax relief	(17)	(1)
Income tax expense recognised in income and expenditure	16	1

8. Trade and other receivables

	2022	2021
	\$'000	\$'000
Trade receivables	–	325
Other receivables	35	7
Total trade and other receivables	35	332
Less: Net GST receivables	(10)	(7)
Add: Cash and bank balances (Note 9)	766	693
Total financial assets carried at amortised cost	791	1,018

Trade receivables are unsecured, non-interest bearing and generally on 30 days' terms (2021: 30 days). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

Allowance for expected credit losses

The allowance for expected credit losses on trade receivables is not significant as at 31 December 2022 and 31 December 2021.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

9. Cash and bank balances

	2022	2021
	\$'000	\$'000
Cash at bank	366	693
Fixed deposit	400	–
	<u>766</u>	<u>693</u>

Cash at bank earns interest at floating rates based on the daily bank deposit rates and are denominated in Singapore Dollars.

The fixed deposit carries interest at the rate of 3.56% (2021: Nil) per annum and is made for a period of 365 days.

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

	2022	2021
	\$'000	\$'000
Cash at bank	<u>366</u>	<u>693</u>

10. Other payables

	2022	2021
	\$'000	\$'000
Other payables	72	461
Accruals	13	12
Total other payables	<u>85</u>	<u>473</u>
Total financial liabilities carried at amortised cost	<u>85</u>	<u>473</u>

Other payables are unsecured, non-interest bearing and are normally settled on 30 to 90 (2021: 30 to 90) days' term.

Singapore Institute of Management Society**Notes to the financial statements
For the financial year ended 31 December 2022**

11. 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.

(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 trade and other receivables. For other financial assets (including cash at bank), 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 losses was assessed to be minimal.

Singapore Institute of Management Society

Notes to the financial statements For the financial year ended 31 December 2022

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

(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 approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due under normal and stressed conditions without incurring unacceptable losses or risking damage to the Society's reputation

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 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
2022					
<i>Financial assets:</i>					
Trade and other receivables	8	25	–	–	25
Cash and bank balances	9	766	–	–	766
Total undiscounted financial assets		791	–	–	791
<i>Financial liabilities:</i>					
Other payables	10	85	–	–	85
Total undiscounted financial liabilities		85	–	–	85
Net undiscounted financial assets		706	–	–	706

Singapore Institute of Management Society

**Notes to the financial statements
For the financial year ended 31 December 2022**

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

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

	Note	Within one year \$'000	Between one to five years \$'000	More than 5 years \$'000	Total \$'000
2021					
Financial assets:					
Trade and other receivables	8	325	–	–	325
Cash and bank balances	9	693	–	–	693
Total undiscounted financial assets		1,018	–	–	1,018
Financial liabilities:					
Other payables	10	473	–	–	473
Total undiscounted financial liabilities		473	–	–	473
Net undiscounted financial assets		545	–	–	545

12. 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.

13. Authorisation of financial statements for issue

The financial statements of the Society for the year ended 31 December 2022 were authorised for issue by the Governing Council at their meeting on 20 April 2023.



SIM SOCIETY

461 Clementi Road
Singapore 599491