



SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

(Registered in Singapore. Unique Entity Number: S62SS0073L)

Statement By The Management Committee and
Financial Statements

for the financial year ended 31 December 2020

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

STATEMENT BY THE MANAGEMENT COMMITTEE

We, the undersigned, being the officers primarily responsible for the financial management of Singapore Institute Of International Affairs (the "Society"), hereby confirm that the financial statements together with the notes thereon are drawn up in accordance with the provisions of the Constitution of the Society, the Societies Act, Chapter 311, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore so as to present fairly in all material respects, the statement of financial position of the Society as at 31 December 2020 and of the income and expenditure statement, statement of changes in funds and statement of cash flows of the Society for the financial year then ended and that proper accounting and other records have been kept and at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debt as and when they fall due.

The Management Committee on the date of this statement authorised these financial statements for issue.

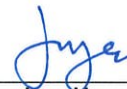
On behalf of the Management Committee



Simon Tay Seong Chee
Chairman



Gerald Ong Chong Keng
Treasurer



Yeo Lay Hwee
Secretary

Singapore
17 March 2021

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS**
(Registered under the Societies Act, Chapter 311)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Institute of International Affairs (the "Society") which comprise the statement of financial position as at 31 December 2020, and the income and expenditure statement, statement of changes in funds and statement of cash flows for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Societies Act"), the Charities Act, Chapter 37 and other relevant regulations ("the Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to present fairly, in all material respects, the state of affairs of the Society as at 31 December 2020 and the results, changes in funds and cash flows of the Society for the financial 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 *Auditors' 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 Committee is responsible for the other information. The other information comprises information included in the Statement by the Management Committee.

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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS (Continued)**
(Registered under the Societies Act, Chapter 311)

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management Committee for the Financial Statements

Management Committee is responsible for the preparation and fair presentation of the financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as Management Committee determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Management Committee's responsibilities include 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 Committee.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS (Continued)**
(Registered under the Societies Act, Chapter 311)

Report on the Audit of the Financial Statements (Continued)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Report on Other Legal and Regulatory Requirements

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

BDO LLP
Public Accountants and
Chartered Accountants

Singapore
17 March 2021

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

INCOME AND EXPENDITURE STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020			2019		
		Endowment fund	General fund	Total funds	Endowment fund	General fund	Total funds
		\$	\$	\$	\$	\$	\$
Income							
Sponsorships and grants for conferences	3	-	1,017,320	1,017,320	-	1,352,284	1,352,284
Donations	3	554,000	-	554,000	132,100	-	132,100
Membership subscription fee	3	-	171,175	171,175	-	185,429	185,429
Income from research/advisory	3	-	850	850	-	2,473	2,473
Income from consultation	3	-	106,500	106,500	-	48,585	48,585
Interest income	3	46	7,424	7,470	59	1,700	1,759
Other income	4	45,687	180,806	226,493	10,140	5,342	15,482
		<u>599,733</u>	<u>1,484,075</u>	<u>2,083,808</u>	<u>142,299</u>	<u>1,595,813</u>	<u>1,738,112</u>
Expenditure							
Cost of organising conferences, talks and seminars		269,863	975,688	1,245,551	118,055	1,585,361	1,703,416
Cost of research activities		-	104,024	104,024	5,689	46,228	51,917
Administrative costs		136,877	330,650	467,527	47,833	429,447	477,280
Finance costs	6	2,295	4,214	6,509	745	7,626	8,371
	5	<u>409,035</u>	<u>1,414,576</u>	<u>1,823,611</u>	<u>172,322</u>	<u>2,068,662</u>	<u>2,240,984</u>
Surplus/(deficit) of income over expenditure		190,698	69,499	260,197	(30,023)	(472,849)	(502,872)
Income tax expense	7	-	-	-	-	-	-
Net surplus/(deficit) of income over expenditure		<u>190,698</u>	<u>69,499</u>	<u>260,197</u>	<u>(30,023)</u>	<u>(472,849)</u>	<u>(502,872)</u>

The accompanying notes form an integral part of these financial statements.

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020

	Note	2020 \$	2019 \$
ASSETS			
Current assets			
Cash and cash equivalents	8	1,702,505	1,550,759
Trade and other receivables	9	281,034	332,248
Other current assets	10	30,867	49,256
		<u>2,014,406</u>	<u>1,932,263</u>
Non-current assets			
Plant and equipment	11	6,248	23,035
Right-of-use assets	12	108,419	173,470
		<u>114,667</u>	<u>196,505</u>
Total assets		<u>2,129,073</u>	<u>2,128,768</u>
LIABILITIES			
Current liabilities			
Trade and other payables	13	371,999	559,107
Provision for reinstatement cost	14	31,800	31,800
Deferred income	15	-	13,750
Lease liabilities	16	61,899	59,034
		<u>465,698</u>	<u>663,691</u>
Non-current liabilities			
Lease liabilities	16	42,927	104,826
Total liabilities		<u>508,625</u>	<u>768,517</u>
NET ASSETS		<u>1,620,448</u>	<u>1,360,251</u>
FUNDS			
Endowment fund		516,199	325,501
General fund		1,104,249	1,034,750
Total funds		<u>1,620,448</u>	<u>1,360,251</u>

The accompanying notes form an integral part of these financial statements.

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

STATEMENT OF CHANGES IN FUNDS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Endowment fund \$	General fund \$	Total funds \$
2020			
Beginning of financial year	325,501	1,034,750	1,360,251
Total recognised net surplus for the financial year	190,698	69,499	260,197
End of financial year	<u>516,199</u>	<u>1,104,249</u>	<u>1,620,448</u>
2019			
Beginning of financial year	355,524	1,507,599	1,863,123
Total recognised net deficit for the financial year	(30,023)	(472,849)	(502,872)
End of financial year	<u>325,501</u>	<u>1,034,750</u>	<u>1,360,251</u>

The accompanying notes form an integral part of these financial statements.

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	2020 \$	2019 \$
Operating activities			
Net surplus/(deficit) before tax		260,197	(502,872)
Adjustments for:			
Depreciation of plant and equipment	11	16,787	26,444
Amortisation of right-of-use assets	12	65,051	65,051
Interest income	3	(7,470)	(1,759)
Interest expense	6	6,509	8,371
Gain on disposal of plant and equipment	4	(12,931)	-
Operating cash flows before movement in working capital		328,143	(404,765)
Changes in working capital			
Trade and other receivables		51,214	22,683
Other current assets		18,389	(11,434)
Trade and other payables		(187,108)	234,401
Deferred income		(13,750)	(10,000)
Net cash from/(used in) operating activities		196,888	(169,115)
Investing activities			
Purchase of plant and equipment		-	(5,557)
Proceeds from disposal of plant and equipment		12,931	-
Repayment of obligations under lease liabilities	16	(59,034)	(57,171)
Interest paid	16	(6,509)	(8,371)
Net cash used in investing activities		(52,612)	(71,099)
Financing activity			
Interest received, representing net cash from by financing activity		7,470	1,759
Net change in cash and cash equivalents		151,746	(238,455)
Cash and cash equivalents at beginning of financial year		1,550,759	1,789,214
Cash and cash equivalents at end of financial year	8	1,702,505	1,550,759

The accompanying notes form an integral part of these financial statements.

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

1. General information

Singapore Institute of International Affairs (the “Society”) is registered as a Society under the Societies Act, Chapter 311 and domiciled in Singapore. The registered address of the Society is 60A Orchard Road, #04-03 Tower 1, The Atrium @Orchard, International Involvement Hub, Singapore 238890. The Society’s registration number is S62SS0073L.

The objectives of the Society are to promote interest in and public awareness of contemporary issues of international politics and regional security through international conferences, workshops, seminars and public lectures.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Financial Reporting Standards in Singapore (“FRSs”) under the historical cost convention, except as disclosed in the accounting policies below.

These financial statements are presented in Singapore dollar, which is the Society’s functional currency.

The preparation of these financial statements in compliance with FRSs requires the Management Committee to exercise its judgement in the process of applying the Society’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. However, there are no areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements.

Changes in accounting policies

New standards, amendments and interpretations effective from 1 January 2020

The standards, amendments to standards, and interpretations, issued by Accounting Standards Council Singapore (“ASC”) that will apply for the first time by the Society are not expected to impact the Society as they are either not relevant to the Society’s business activities or require accounting which is consistent with the Society’s current accounting policies.

New standards, amendments and interpretations issued but not yet effective

There are a number of standards, amendments to standards, and interpretations, which have been issued by the ASC that are effective in future accounting periods and the Society has not decided to early adopt. The Society does not expect any of these standards upon adoption will have a material impact to the Society.

2. Significant accounting policies (Continued)

2.2 Endowment Fund

Donations received for the Endowment Fund are taken directly to the fund. This Endowment Fund has been approved as an Institution of a Public Character (“IPC”) under the Charities Act since 1 September 2002. The Ministry of Community Development, Youth and Sports has approved the Endowment Fund’s renewal application as an IPC for further three years with effect from 1 September 2019.

2.3 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Society expects to be entitled in exchange for transferring promised good or services to a customer, excluding amounts collected on behalf of third parties (i.e. sales related taxes). The consideration promised in the contracts with customers may include fixed amounts, variable amounts or both. Most of the Society’s revenue is derived from fixed price contracts and therefore, the amount of revenue earned for each contract is determined by reference to those fixed prices.

Donation received with attached conditions from patrons that will be satisfied in future periods are presented as deferred income.

(i) Donations and corporate cash sponsorships

The Society receives funding from corporate cash sponsorships and donations to promote interest in and public awareness of contemporary issues of international politics and regional security. Income from corporate cash sponsorships and donations is recognised at point in time when they are received, except for committed corporate cash sponsorships and donations that are recorded at a point in time when the commitments are signed. The receipt of uncommitted fund is a faithful depiction of the satisfaction of performance obligations as the disbursement of funds would only be made when all attaching conditions will be complied with.

Donation received with attached conditions from patrons that will be satisfied in future periods are presented as deferred income.

(ii) Income from annual membership fees is recognised on a straight-line basis over the subscription period.

(iii) Income from research is recognised when the research service is performed.

(iv) Interest income is recognised on a time-proportion basis using the effective interest method.

2.4 Grants

Grants are recognised at the fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Government grants related to asset are deducted against the carrying amount of the asset.

Government grants related to the expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss. Such government grants are presented under “Other income”.

2. Significant accounting policies (Continued)

2.5 Employee compensation

(a) Defined contribution plans

The Society's contributions to defined contribution plans are recognised as employee compensation expense when the contributions are due.

(b) Employee leave entitlement

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

2.6 Leases

As lessee

All leases are accounted for by recognising a right-of-use asset and a lease liability except for:

- leases of low value assets; and
- leases with a duration of twelve months or less.

The payments for leases of low value assets and short-term leases are recognised as an expense on a straight-line basis over the lease term.

Initial measurement

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term, with the discount rate determined by reference to the rate inherent in the lease unless this is not readily determinable, in which case the Society's incremental borrowing rate on commencement of the lease is used.

Variable lease payments are only included in the measurement of the lease liability if it is depending on an index or rate. In such cases, the initial measurement of the lease liability assumes the variable element will remain unchanged throughout the lease term. Other variable lease payments are expensed in the period to which they relate.

On initial recognition, the carrying amount of lease liabilities also includes:

- amounts expected to be payable under any residual value guarantee;
- the exercise price of any purchase option granted in favour of the Society if it is reasonably certain to assess that option; and
- any penalties payables for terminating the lease, if the term of the lease has been estimated on the basis of termination option being exercised.

2. Significant accounting policies (Continued)

2.6 Leases (Continued)

As lessee (Continued)

Right-of-use assets are initially measured at the amount of lease liabilities, reduced by any lease incentives received and increased for:

- lease payments made at or before commencement of the lease;
- initial direct costs incurred; and
- the amount of any provision recognised where the Society is contractually required to dismantle, remove or restore the leased asset.

The Society presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the statement of financial position.

Subsequent measurement

Right-of-use assets are subsequently measured at cost less any accumulated depreciation, any accumulated impairment loss and, if applicable, adjusted for any re-measurement of the lease liabilities. The right-of-use assets under cost model are depreciated on a straight-line basis over the shorter of either the remaining lease term or the remaining useful life of the right-of-use assets. If the lease transfers ownership of the underlying asset by the end of the lease term or if the cost of the right-of-use asset reflects that the Society will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset.

The carrying amount of right-of-use assets are reviewed for impairment when events or changes in circumstances indicate that the right-of-use asset may be impaired. The accounting policy on impairment is as described in Note 2.8 to the financial statements.

Subsequent to initial measurement, lease liabilities are adjusted to reflect interest charged at a constant periodic rate over the remaining lease liabilities, lease payment made and if applicable, account for any re-measurement due to reassessment or lease modifications.

After the commencement date, interest on the lease liabilities are recognised in profit or loss, unless the costs are eligible for capitalisation in accordance with other applicable standards.

When the Society revises its estimate of any lease term (i.e. probability of extension or termination option being exercised), it adjusts the carrying amount of the lease liability to reflect the payments over the revised term. The carrying amount of lease liabilities is similarly revised when the variable element of the future lease payment dependent on a rate or index is revised. In both cases, an equivalent adjustment is made to the carrying amount of the right-of-use assets. If the carrying amount of the right-of-use assets is reduced to zero and there is a further reduction in the measurement of lease liabilities, the remaining amount of the re-measurement is recognised directly in profit or loss.

2. Significant accounting policies (Continued)

2.6 Leases (Continued)

As lessee (Continued)Subsequent measurement (Continued)

When the Society renegotiates the contractual terms of a lease with the lessor, the accounting treatment depends on the nature of the modification:

- If the renegotiation results in one or more additional assets being leased for an amount commensurate with the standalone price for the additional right-of-use obtained, the modification is accounted for as a separate lease in accordance with the above policy;
- In all other cases where the renegotiation increases the scope of the lease (i.e. extension to the lease term, or one or more additional assets being leased), the lease liability is remeasured using the discount rate applicable on the modification date, with the right-of-use asset being adjusted by the same amount;
- If the renegotiation results in a decrease in scope of the lease, both the carrying amount of the lease liability and right-of-use asset are reduced by the same proportion to reflect the partial or full termination of the lease with any difference being recognised in profit or loss. The lease liability is then further adjusted to ensure its carrying amount reflects the amount of the renegotiated payments over the renegotiated term, with the modified lease payments discounted at the rate applicable on the modification date. The right-of-use asset is adjusted by the same amount.

For lease contracts that convey a right to use an identified asset and require services to be provided by the lessor, the Society has elected to account for the entire contract as a lease.

2.7 Plant and equipment

Plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Subsequent expenditure relating to plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows:

	Useful lives
Office renovation	3 - 6 years
Fixtures and fittings	3 years
Office equipment	3 years
Computers	3 years
Motor vehicle	10 years

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

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at end of each reporting period.

2. Significant accounting policies (Continued)

2.7 Plant and equipment (Continued)

An item of plant and equipment is derecognised upon disposal or when the no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

2.8 Impairment of non-financial assets

At the end of each reporting period, the carrying amounts of non-financial assets are reviewed for impairment whenever there is any indication that these assets may be impaired.

The recoverable amount of an asset is the higher of its fair value less cost to sell and its value in use. In assessing value in use, the estimated future cash flow are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time value of money and the risks specific to the asset.

If the recoverable amount of the asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the profit or loss.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset is recognised in profit or loss.

2.9 Financial instruments

The Society recognises a financial asset or a financial liability in its statement of financial position when, and only when, the Society becomes a party to the contractual provisions of the instrument.

Financial assets

The Society classifies its financial assets as measured at amortised cost. The classification depends on the Society's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets. The Society shall reclassify its affected financial assets when and only when the Society changes its business model for managing these financial assets.

2. Significant accounting policies (Continued)

2.9 Financial instruments (Continued)

Financial assets (Continued)

The Society's accounting policy for financial assets at amortised cost is as follows:

Amortised cost

These assets arise principally from the provision of goods and services to customers (e.g. trade receivables), but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Interest income from these financial assets is included in interest income using the effective interest rate method.

Impairment provisions for trade receivables are recognised based on the simplified approach within FRS 109 using the lifetime expected credit losses. The lifetime expected credit losses are determined based on expected credit loss rate. The expected credit loss rates are determined based on historical loss rates and historical payment pattern, adjusted for current conditions and forecast of future economic conditions that may affect the ability of customers to settle the trade receivables. For trade receivables, which are reported net, such provisions are recorded in a separate provision account with the loss being recognised within administrative cost in the income and expenditure statement. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

The Society's financial assets measured at amortised cost comprise cash and cash equivalents and trade and other receivables in the statement of financial position.

Derecognition of financial assets

The Society derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

Financial liabilities

The Society classifies all financial liabilities as subsequently measured at amortised cost.

Trade and other payables

Trade and other payables, excluding advances received, are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method.

Derecognition of financial liabilities

The Society derecognises financial liabilities when, and only when, the Society's obligations are discharged cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

2. Significant accounting policies (Continued)

2.10 Provisions

Provisions are recognised when the Society has a present legal or constructive obligation as a result of a past event and it is probable an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are measured at the management's best estimate of the consideration required to settle the obligation at the end of the reporting period, and are discounted to present value where the effect is material.

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.

2.11 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand, demand deposits and other short-term highly liquid investments which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

2.12 Income tax

The Society is exempted from income tax under the Income Tax Act. As such, no provision for income tax has been made in the financial statements of the Society.

3. Disaggregation of income

	2020	2019
	\$	\$
<u>Type of good or service</u>		
Sponsorships	262,910	321,388
Government grants for conferences:		
- Ministry of Environment and Water Resources	745,825	894,396
- National Environment Agency	-	136,500
- National Youth Council	8,585	-
Sponsorships and grants for conferences	1,017,320	1,352,284
Donations	554,000	132,100
Membership subscription fee	171,175	185,429
Income from research/advisory	850	2,473
Income from consultation	106,500	48,585
Interest income	7,470	1,759
	<u>1,857,315</u>	<u>1,722,630</u>
<u>Timing of transfer of good or service</u>		
At a point in time	1,678,670	1,535,442
Over time	178,645	187,188
	<u>1,857,315</u>	<u>1,722,630</u>

4. Other income

	2020	2019
	\$	\$
Wage and employment credit	26,375	3,913
JSS government grant	169,393	-
Amortisation of donation	13,750	10,000
Gain on disposal of plant and equipment	12,931	-
Others	4,044	1,569
	<u>226,493</u>	<u>15,482</u>

5. Expenses by nature

Expenses in the income and expenditure statement include the following:

	2020			2019		
	Endowment fund \$	General fund \$	Total funds \$	Endowment fund \$	General fund \$	Total funds \$
Depreciation of plant and equipment (Note 11)	4,861	11,926	16,787	13,080	13,364	26,444
Amortisation of right-of-use assets (Note 12)	-	65,051	65,051	-	65,051	65,051
Salaries	237,885	835,570	1,073,455	73,560	1,205,370	1,278,930
Employer's contribution to Central Provident Fund	35,353	108,362	143,715	11,092	156,443	167,535
Honorarium	30,902	149,654	180,556	10,424	85,780	96,204
Travel	222	2,053	2,275	5,769	153,957	159,726
Upkeep of premises	7,224	13,263	20,487	2,440	24,979	27,419
Utilities and telecommunication charges	1,352	2,483	3,835	461	4,719	5,180
Audit fee	1,886	3,464	5,350	476	4,874	5,350

6. Finance cost

	2020	2019
	\$	\$
Interest on lease liabilities (Note 16)	<u>6,509</u>	<u>8,371</u>

7. Income tax expense

The Society is exempted from income tax.

With effect from the year of assessment 2008 (financial year ended 31 December 2007), all registered and exempt charities are exempted from tax.

8. Cash and cash equivalents

	2020	2019
	\$	\$
Endowment fund		
- Current account	832,441	626,323
- Fixed deposits	22,945	22,899
General fund		
- Current account	439,388	501,170
- Fixed deposits	407,300	400,000
- Cash in hand	431	367
	<u>1,702,505</u>	<u>1,550,759</u>

Short-term fixed deposits have an average maturity of 2.97 months (2019: 2.39 months) from that date and have a weighted average effective interest rate of 0.71% (2019: 0.62%) per annum.

Cash and cash equivalents are denominated in the following currencies:

	2020	2019
	\$	\$
Singapore dollar	1,702,439	1,550,692
United States dollar	66	67
	<u>1,702,505</u>	<u>1,550,759</u>

9. Trade and other receivables

	2020	2019
	\$	\$
Trade receivables	211,401	139,085
Non-trade receivables	-	515
Accrued income	48,342	192,648
Grant receivable	21,291	-
Total trade and other receivables	<u>281,034</u>	<u>332,248</u>
Add: Deposits (Note 10)	19,301	28,025
Add: Cash and cash equivalents (Note 8)	1,702,505	1,550,759
Financial assets at amortised cost	<u>2,002,840</u>	<u>1,911,032</u>

Trade and other receivables are denominated in Singapore dollar.

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

10. Other current assets

	2020	2019
	\$	\$
Prepayments	11,566	21,231
Deposits	19,301	28,025
	<u>30,867</u>	<u>49,256</u>

Other current assets are denominated in Singapore dollar.

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NOTES TO THE FINANCIAL STATEMENTS
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11. Plant and equipment

2020	Office renovation	Furniture and fittings	Office equipment	Computer	Motor vehicle	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 January 2020	121,874	44,545	20,316	39,978	112,000	338,713
Disposals	-	-	-	-	(112,000)	(112,000)
At 31 December 2020	121,874	44,545	20,316	39,978	-	226,713
Accumulated depreciation						
At 1 January 2020	121,874	43,626	17,435	25,604	107,139	315,678
Depreciation	-	919	2,682	8,325	4,861	16,787
Disposals	-	-	-	-	(112,000)	(112,000)
At 31 December 2020	121,874	44,545	20,117	33,929	-	220,465
Net carrying amount						
At 31 December 2020	-	-	199	6,049	-	6,248

SINGAPORE INSTITUTE OF INTERNATIONAL AFFAIRS

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11. Plant and equipment (Continued)

2019	Office renovation	Furniture and fittings	Office equipment	Computer	Motor vehicle	Total
	\$	\$	\$	\$	\$	\$
Cost						
At 1 January 2019	121,874	44,545	23,153	37,882	112,000	339,454
Additions	-	-	-	5,557	-	5,557
Disposals	-	-	(2,837)	(3,461)	-	(6,298)
At 31 December 2019	121,874	44,545	20,316	39,978	112,000	338,713
Accumulated depreciation						
At 1 January 2019	121,874	42,623	16,800	20,176	94,059	295,532
Depreciation	-	1,003	3,472	8,889	13,080	26,444
Disposals	-	-	(2,837)	(3,461)	-	(6,298)
At 31 December 2019	121,874	43,626	17,435	25,604	107,139	315,678
Net carrying amount						
At 31 December 2019	-	919	2,881	14,374	4,861	23,035

12. Right-of-use assets

	Office premise \$
At 1 January 2020	173,470
Amortisation charge	<u>(65,051)</u>
At 31 December 2020	<u>108,419</u>
At 1 January 2019	238,521
Amortisation charge	<u>(65,051)</u>
At 31 December 2019	<u>173,470</u>

13. Trade and other payables

	2020 \$	2019 \$
Trade payable	1,270	3,982
Membership subscription fee received in advance	78,778	89,803
Donation received in advance	102,755	297,000
Deferred grant income	35,104	-
Accrued operating expenses	<u>154,092</u>	<u>168,322</u>
	371,999	559,107
Less: Deferred grant income	(35,104)	-
Less: Donation received in advance	(102,755)	(297,000)
Add: Lease liabilities (Note 16)	<u>104,826</u>	<u>163,860</u>
Financial liabilities at amortised cost	<u>338,966</u>	<u>425,967</u>

Trade and other payables are denominated in Singapore dollar.

14. Provision for reinstatement cost

	2020 \$	2019 \$
Beginning and end of financial year	<u>31,800</u>	<u>31,800</u>

Provision for reinstatement cost is the estimated costs of dismantlement, removal or restoration of plant and equipment arising from the use of assets, which are included in the cost of right-of-use assets.

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15. Deferred income

	2020	2019
	\$	\$
Beginning of financial year	13,750	23,750
Amortisation	(13,750)	(10,000)
End of financial year	<u>-</u>	<u>13,750</u>

As at 31 December 2019, the deferred income arises from a donation by a patron for the purchase of a motor vehicle for the Society's use.

16. Lease liabilities

	Office premise	
	2020	2019
	\$	\$
At 1 January	163,860	221,031
Interest expense (Note 6)	6,509	8,371
Lease payments		
- Principal portion	(59,034)	(57,171)
- Interest portion	(6,509)	(8,371)
At 31 December	<u>104,826</u>	<u>163,860</u>

The maturity analysis of lease liabilities of the Society at the end of the reporting period are as follows:

	2020	2019
	\$	\$
Contractual undiscounted cash flows		
- Not later than one financial year	65,543	65,543
- Between one and five financial years	43,694	109,237
	<u>109,237</u>	<u>174,780</u>
Less: Future interest expense	(4,411)	(10,920)
Present value of lease liabilities	<u>104,826</u>	<u>163,860</u>
Presented in statement of financial position		
- Current	61,899	59,034
- Non-current	42,927	104,826
	<u>104,826</u>	<u>163,860</u>

The Society leases an office premise in Singapore. All lease payments are fixed. As at 31 December 2020, the incremental borrowing rate applied in the leases was 4.75% (2019: 4.75%).

Lease liabilities are denominated in Singapore dollar.

17. Significant related party transactions

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

In addition to the related party information disclosed elsewhere in the financial statements, the following were significant related party transactions between the Society and its related parties during the financial year on terms and rates between the parties:

	2020	2019
	\$	\$
With Chairman		
Advisory services rendered to third parties through the Society	50,010	18,837

18. Financial risk management

The Society's operations are not exposed to any significant foreign exchange risk as most of its transaction are denominated in Singapore dollar. The Society's income and operating cash flows are significantly independent of changes in market interest rates. The Society maintains sufficient cash for its operations and obtains funding from the members and sponsors when required. The Society's financial liabilities, excluding lease liabilities as disclosed in Note 16 to the financial statements, mature within 12 months from the end of the reporting period.

Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Society.

The Society does not have any significant concentration of credit risk to any single counterparty or any group of counterparties having similar characteristic except for trade receivables of \$171,200 (2019: \$70,959) as at the end of the financial year.

The major classes of financial assets of the Society are cash and cash equivalents and trade and other receivables.

The maximum exposure to credit risk for each class of financial assets is the carrying amount of that class of financial assets presented on the statement of financial position.

Cash and cash equivalents

Credit risk also arises from balances held with banks. The Society substantially placed its cash and bank balances in 2 banks (2019: 2 banks) which represent 99% (2019: 99%) of the Society's cash and cash equivalents. The cash and bank balances are held with bank and financial institution counterparties, which are rated Aa1 and Baa1, based on Moody's ratings. Impairment on cash and bank balances has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Society considers that its cash and bank balances have low credit risk based on the external credit ratings of the counterparties.

18. Financial risk management (Continued)Credit risk (Continued)*Trade and other receivables*

For trade and other receivables, the Society adopts the policy of dealing with counterparties with appropriate credit history.

(i) Financial assets that are neither past due nor impaired

Trade receivables amounting to \$193,401 (2019: \$98,635) that are neither past due nor impaired are substantially companies with good collection track records with the Society.

(ii) Financial assets that are past due and/or impaired

The Society provided for lifetime expected credit losses for trade receivables based on the Society's historical observed default rates which is adjusted with forward-looking information. At the end of the reporting period, management has assessed the expected credit loss to be insignificant.

The aging of trade receivables past due but not impaired are:

	2020	2019
	\$	\$
Past due 1 to 3 months	10,000	10,000
Past due more than 3 months	8,000	40,450
	<u>18,000</u>	<u>50,450</u>

19. Management of funds

The funds are maintained to provide working capital, and to enable the Society to develop over the longer term. No changes are made in the objectives, policies or processes during the financial years ended 31 December 2020 and 31 December 2019.

20. Fair value of financial assets and liabilities.

The carrying amounts of the Society's current financial assets and current financial liabilities approximate their respective fair values as at the end of the reporting period due to the relatively short-term maturity of these financial instruments.

21. Authorisation of financial statements

These financial statements were authorised for issue by the Society's Management Committee on 17 March 2021.