Singapore Management University Alumni Association
(Registration Number: T05SS0182A)

Statement by the Management Committee and Financial Statements
Financial Year Ended 31 December 2022

KLP LLP
CHARTERED ACCOUNTANTS
Associated with Abacus Worldwide
13A MacKenzie Road Singapore 228676
Tel: 6227 4180 Fax: 6324 0213

Members of the Management Committee

The members of the Management Committee of Association in office at the date of this report are as follows:

Name	Designation
Jaspreet Singh Dua	President
Michael Walter	Vice-President
Wong Ai Hui Ivy	Vice-President
Adeline Natalia Lai Sue Yi	Treasurer
Poh Sze Hui	Secretary
Claressa Sim Zhen Li	Community Manager (Undergraduate)
Piyush Kumar Agarwal	Community Manager (Postgraduate)
Lee Kang Wee	Head of Partnerships

Registered Office

80 Stamford Road
(School of Informations Systems) SMU Concourse
#B1-62
Singapore 178902

Auditor

KLP LLP

Principal Banker

Oversea-Chinese Banking Corporation

Index **Page**

Index	Page
Statement by the Management Committee	1
Independent Auditor’s Report	2
Statement of Financial Position	5
Statement of Comprehensive Income	6
Statement of Changes in Accumulated Fund	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

Singapore Management University Alumni Association
Statement by the Management Committee
For the financial year ended 31 December 2022

We state that, in the opinion of the Management Committee,

(a) the accompanying financial statements of Singapore Management University Alumni Association (the "Association") are drawn up in accordance with the provisions of the Societies Act 1966 and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Association as at 31 December 2022 and the financial performance, changes in equity and cash flows of the Association for the year then ended; and

(b) at the date of this statement, having regard to the financial support from University Company, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

On behalf of the Management Committee

DocuSigned by:	DocuSigned by:
Jaspreet Dua	Adeline Lai
1EAB4EBB2C52493...	6ABA865F95F948E...
Jaspreet Singh Dua	**Adeline Natalia Lai Sue Yi**
President	Treasurer

Singapore, 1 August 2023

KLP LLP
13A MacKenzie Road
Singapore 228676
Tel: (65) 6227 4180
klp@klp.com.sg
www.klp.com.sg

Independent Auditor's Report to the members of Singapore Management University Alumni Association

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Management University Alumni Association (the Association), which comprise the statement of financial position as at 31 December 2022, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the 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 1966 and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Association as at 31 December 2022 and of the financial performance, changes in equity and cash flows of the Association 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 *Association 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.

Material Uncertainty Related to Going Concern

We draw attention to Note 2.1 in the financial statements, which indicates that as of at 31 December 2022, the Association's total liabilities exceeded its total assets and current liabilities exceed current assets by S$347,087 respectively. These events or conditions, indicate that a material uncertainty exists that may cast significant doubt on the Association's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Other Information

Management Committee is responsible for the other information. The other information comprises the Statement by Management Committee set out on page 1.

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.

KLP LLP
13A MacKenzie Road
Singapore 228676
Tel: (65) 6227 4180
klp@klp.com.sg
www.klp.com.sg

Independent Auditor's Report to the members of Singapore Management University Alumni Association (continued)

Responsibilities of Management Committee for the Financial Statements

Management Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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 Committee is responsible for assessing the Association'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 Association or to cease operations, or has no realistic alternative but to do so.

The Management Committee's responsibilities include overseeing the Association'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 Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management Committee.

KLP LLP
13A MacKenzie Road
Singapore 228676
Tel: (65) 6227 4180
klp@klp.com.sg
www.klp.com.sg

Independent Auditor's Report to the members of Singapore Management University Alumni Association (continued)

Auditor's 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 Association'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 Association 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 by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act.

DocuSigned by:
DEF826FC44914AC...

KLP LLP
Public Accountants and
Chartered Accountants

Singapore, 1 August 2023

Singapore Management University Alumni Association
Statement of Financial Position
As at 31 December 2022

	Note	2022	2021
		S$	S$
Assets			
Non-current assets			
Equipment	4	-	-
Current assets			
Trade and other receivables	5	10,305	9,030
Prepayments		320	320
Cash and bank balances	6	12,800	9,375
		23,425	18,725
Total assets		23,425	18,725
Fund and liabilities			
Fund			
Accumulated deficit		(347,087)	(353,411)
Total fund		(347,087)	(353,411)
Non-current liabilities			
Loan from related University Company	7	213,320	220,083
Loan from third parties	8	85,000	90,000
		298,320	310,083
Current liabilities			
Loan from related University Company	7	6,763	1,592
Trade and other payables	9	33,535	28,567
Contract liabilities	10	31,894	31,894
		72,192	62,053
Total liabilities		370,512	372,136
Total fund and liabilities		23,425	18,725

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

Singapore Management University Alumni Association
Statement of Comprehensive Income
For the financial year ended 31 December 2022

	Note	2022	2021
		S$	S$
Revenue	11	65,194	42,663
Other income	12	3,181	1,200
Other items of expense			
Purchases and other related costs		(358)	(206)
Staff and related costs	13	(31,513)	(28,848)
Other expenses	14	(20,669)	(41,342)
Finance expenses	15	(9,511)	(4,604)
		(62,051)	(75,000)
Surplus/(deficit) before tax		6,324	(31,137)
Income tax expense	16	-	-
Surplus/(deficit) for the year, representing total comprehensive surplus/(deficit) for the year		6,324	(31,137)

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

Singapore Management University Alumni Association
Statement of Changes in Accumulated Fund
For the financial year ended 31 December 2022

	Accumulated deficit S$
Balance as at 1 January 2021	(322,274)
Total comprehensive deficit for the year	(31,137)
Balance as at 31 December 2021	(353,411)
Total comprehensive surplus for the year	6,324
Balance as at 31 December 2022	(347,087)

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

Singapore Management University Alumni Association
Statement of Cash Flows
For the financial year ended 31 December 2022

	2022	2021
	S$	S$
Cash flows from operating activities		
Surplus/(deficit) before tax	6,324	(31,137)
Changes in working capital:		
Trade and other receivables	(1,275)	6,067
Trade and other payables	4,968	826
Contract liabilities	-	26,056
Net cash flows generated from operating activities	10,017	1,812
Cash flows from investing activity		
Amount due from a related party	-	(279)
Net cash flows used in investing activity	-	(279)
Cash flows from financing activities		
Loan from related University Company	(1,592)	(11,536)
Loan from third parties	(5,000)	(10,000)
Net cash flows used in financing activities	(6,592)	(21,536)
Net increase/(decrease) in cash and bank balances	3,425	(20,003)
Cash and bank balances at the beginning of financial year	9,375	29,378
Cash and bank balances at the end of financial year (Note 6)	12,800	9,375

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 accompanying financial statements.

1. General

Singapore Management University Alumni Association (the Association) is registered in Singapore under the Societies Act 1966 with its registered office and principal place of business at 80 Stamford Road, (School of Informations Systems) SMU Concourse, #B1-62 Singapore 178902.

The principal activities of the Association are to represent the interest of alumni of Singapore Management University (University Company), with the aim of promoting the welfare of University Company.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Association have been drawn up in accordance with the provisions of the Societies Act 1966 and Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollars (S$), which is the Association's functional currency.

The financial statements of the Association have been prepared on a going concern basis notwithstanding the net accumulated deficit amounting to S$347,087, respectively as at 31 December 2022. These factors indicate the existence of a material uncertainty which may cast significant doubt over the Association's ability to continue as a going concern.

The accompanying financial statements have been prepared on a going concern basis as the University Company has undertaken not to recall the amounts due to them until such time the Associate is in the position to repay these amounts without impairing its liquidity position and to provide continuing financial support and adequate funds to enable the Associate to meet its liabilities as and when they fall due.

If the Association were unable to continue in operational existence for the foreseeable future, the Association may be unable to discharge its liabilities in the normal course of business and adjustments may have to be made to reflect the situation that the assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statement of financial position. In addition, the Association may have to reclassify non-current assets and liabilities as current assets and liabilities. No such adjustments have been made to these financial statements.

2.2 Adoption of new and amended standards and interpretations

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Association has adopted all the new and amended standards which are relevant to the Association and 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 statements of the Association.

2. Summary of significant accounting policies (continued)

2.3 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements.

The committee members expect that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application.

2.4 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

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 equipment	3 years

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

The residual value, useful lives and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.5 Financial instruments

(a) Financial assets

Initial recognition and measurement

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

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

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

2. Summary of significant accounting policies (continued)

2.5 Financial instruments (continued)

(a) Financial assets (continued)

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Associate's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income (FVOCI) and FVPL. The Associate only has debt instruments at 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 profit or loss when the assets are derecognised or impaired, and through the 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 consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2. Summary of significant accounting policies (continued)

2.6 Impairment of financial assets

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association 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 Association applies a simplified approach in calculating ECLs. Therefore, the Association does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Association 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 debtors' ability to pay.

The Association considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. 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 are subject to an insignificant risk of changes in value.

2.8 Government grants

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

When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised as income in equal amounts over the expected useful life of the related asset.

2. Summary of significant accounting policies (continued)

2.9 Revenue

Revenue is measured based on the consideration to which the Association 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 Association 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) Membership fees

Membership fees are recognised over time. Revenue is recognised in the period in which the services are provided by the Association.

(b) Events income

The Association allows the members to held events in the bistro. Revenue is recognised at a point in time when the event is held. A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before payment is due.

2.10 Employee benefits

Defined contribution plans

The Association makes contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

2.11 Borrowing costs

All borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss in the period in which they are incurred.

2.12 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 authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

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

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the end of the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. There is no deferred tax at the reporting date.

3. Significant accounting judgements and estimates

The preparation of the Association's financial statements requires management 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.

Management committee is of the opinion that there are no significant judgements made in applying accounting estimates and policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Equipment

	Office equipment S$
Cost	
At 1 January 2021, 31 December 2021 and 31 December 2022	10,631
Accumulated depreciation	
At 31 December 2020 and 31 December 2021 and 31 December 2022	10,631
Carrying amount	
At 31 December 2021	-
At 31 December 2022	-

5. Trade and other receivables

	2022 S$	2021 S$
Trade receivables:		
- third parties	505	1,522
- related party	4,800	2,400
	5,305	3,922
Less: Allowance for expected credit losses	-	(1,522)
	5,305	2,400
Deposits	5,000	5,000
Grant receivables	-	1,630
	10,305	9,030

Trade receivables are unsecured, non-interest bearing and are generally on 30 days terms (2021: 30 days).

Trade and other receivables are denominated in Singapore Dollars.

5. Trade and other receivables (continued)

Expected credit losses (ECL)

The movement in allowance for expected credit loss of trade receivables compared based on lifetime ECL was as follows:

	2022 S$	2021 S$
At 1 January	1,522	1,822
Reversal of allowance for expected credit losses (Note 12)	-	(300)
Write off during the year	(1,522)	-
At 31 December	-	1,522

6. Cash and bank balances

	2022 S$	2021 S$
Cash on hand	291	291
Cash at bank	12,509	9,084
	12,800	9,375

Cash and bank balances are denominated in Singapore Dollars.

7. Loan from related University Company

	2022 S$	2021 S$
Current	6,763	1,592
Non-current	213,320	220,083
	220,083	221,675

The details of the loan from related University Company are as follows:

Principal sum	Interest rate	Effective interest rate	Maturity date	Guarantee
S$150,000	2%	2.084%	8 December 2047	Unsecured
S$100,000	2%	2.084%	8 August 2048	Unsecured

Loan from related University Company is granted for working capital purpose and is denominated in Singapore Dollars.

8. Loan from third parties

The carrying amount of the non-current loan from third parties at balance sheet date is approximate to their fair values and are non-trade related, unsecured, interest free, with repayment not expected to be received in the next 12 months after 31 December 2022 and is to be settled in cash. The fair value of loan from third parties is S$80,662, which is computed based on cash flows discounted at market borrowing rates of 5.25% per annum. The fair value is within Level 2 of the fair value hierarchy.

Loan from third parties is denominated in Singapore Dollars.

9. Trade and other payables

	2022	2021
	S$	S$
Trade payables		
- third parties	23,145	1,743
- related company	463	13,224
	23,608	14,967
Accruals	9,927	3,800
Advance payment	-	9,800
Total trade and other payables	33,535	28,567

Trade payables are non-interest bearing and are normally settled on 30 days terms (2021: 30 days).

Trade and other payables are denominated in Singapore Dollars.

10. Contract liabilities

	31 December		1 January
	2022	2021	2021
	S$	S$	S$
Trade receivables (Note 5)	5,305	3,922	3,622
Contract liabilities	31,894	31,894	5,838

Contract liabilities represent advance membership fees collected from members before the Association's performance obligations to deliver membership benefits are satisfied. Contract liabilities are recognised as revenue over the membership period.

Set out below is the amount of revenue recognised from:

	2022	2021
	S$	S$
Amount included in contract liabilities at the beginning of the year	31,894	5,838
Performance obligations satisfied in previous years	31,894	2,547

11. Revenue

Disaggregation of revenue

	Overtime	At a point in time	Total
	S$	S$	S$
2022			
Membership fees	63,274	-	63,274
Events income	-	1,920	1,920
	63,274	1,920	65,194
2021			
Membership fees	39,043	-	39,043
Events income	-	3,620	3,620
	39,043	3,620	42,663

12. Other income

	2022	2021
	S$	S$
Government grant - Job Support Scheme	3,111	900
Others	70	-
Reversal of allowance for expected credit losses (Note 5)	-	300
	3,181	1,200

13. Staff and related costs

	2022	2021
	S$	S$
Staff and related costs		
Salaries, bonuses and allowances	22,076	25,987
CPF and SDL	9,437	2,861
	31,513	28,848

14. Other expenses

The following items have been included in arriving at other expenses:

	2022	2021
	S$	S$
Credit card charges	-	1,456
Printing and stationery	916	5,457
Subscription fee	10,256	16,739
Telephone charges	3,242	4,273

15. Finance expenses

	2022 S$	2021 S$
Loan interest from related University Company	9,511	4,604

16. Income tax expense

Relationship between tax expense and accounting surplus/(deficit)

A reconciliation between tax expense and the product of accounting surplus/(deficit) multiplied by the applicable corporate tax rate for the financial years ended 31 December 2022 and 2021 were as follows:

	2022 S$	2021 S$
Surplus/(deficit) before tax	6,324	(31,137)
Income tax rate using the statutory tax rate of 17% (2021: 17%)	1,075	(5,293)
Tax effects of:		
Non-deductible expenses	-	204
Non-taxable income	(976)	-
Current year unutilised losses carried forward	-	5,089
Utilisation of deferred tax assets previously not recognised	(99)	-
Income tax expense recognised in profit or loss	-	-

The Association has unrecognised tax losses of S$404,045 (2021: S$404,627) and unabsorbed donation of approximately S$6,250 (2021: S$6,250) at the reporting date which can be carried forward and used to offset against future taxable income in which the losses arose for which no deferred tax asset is recognised due to uncertainty regarding its realisation. The use of these tax losses subject to agreement by the tax authority.

17. Significant related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following transactions with related parties took place at terms agreed between the parties during the financial year:

	2022 S$	2021 S$
Loan interest from related University Company	9,511	4,604
Membership fees paid by University Company	6,000	5,640

Compensation of key management personnel

There is no management committee's remuneration paid out during the year. There are no other key management personnel in the Association other than the management committee.

18. Fair value of assets and liabilities

Assets and liabilities not measured at fair value

Cash and bank balances, other receivables and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Trade receivables and trade payables

The carrying amounts of these receivables and payables approximate their fair values as they are subject to normal trade credit terms.

Loan from related University Company and loan from third parties

The carrying amount of loan from related University Company and loan from third parties approximate their fair values as they are subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

19. Financial risk management

The Association's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including interest rate risk).

The Management Committee reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Association's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Association's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Association's exposure to these financial risks or the manner in which it manages and measures the risks.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Association. The Association exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including investment securities and cash), the Association minimises credit risk by dealing with exclusively with high credit rating counterparties.

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

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

The Association 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 could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

19. Financial risk management (continued)

Credit risk (continued)

To minimise credit risk, the Association has developed and maintained the Association's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Association's own trading records to rate its major customers and other debtors. The Association considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating
- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payments.

The Association determined that its financial assets are credit-impaired when:

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

The Association categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

The Association's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss (ECL)
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is <365 days past due or there has been no significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >365 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

19. Financial risk management (continued)

Credit risk (continued)

The table below details the credit quality of the Association's financial assets, as well as maximum exposure to credit risk by credit risk rating categories:

	Note	Category	12-month or lifetime ECL	Gross carrying amount S$	Loss allowance S$	Net carrying amount S$
2022						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	5,305	-	5,305
Other receivables	5	Note 2	12-month ECL	5,000	-	5,000
					-	
2021						
Trade receivables	5	Note 1	Lifetime ECL (simplified)	3,922	(1,522)	2,400
Other receivables	5	Note 2	12-month ECL	6,630	-	6,630
					(1,522)	

Trade receivables (Note1)

For trade receivables, the Association has applied the simplified approach in FRS 109 to measure the loss allowance at lifetime ECL. The Associate determines the ECL by using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions. Accordingly, the credit risk profile of trade receivables is presented based on their past due status in terms of the provision matrix. The Association determined that the ECL is insignificant.

	Trade receivables					
			Days past due			
	Not past due S$	≤30 days S$	31-60 days S$	61-365 days S$	>365 days S$	Total S$
2022						
ECL rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	2,400	2,400	505	-	-	5,305
ECL	-	-	-	-	-	-
						5,305
2021						
ECL rate	0%	0%	0%	0%	100%	
Estimated total gross carrying amount at default	-	-	-	2,400	1,522	3,922
ECL	-	-	-	-	(1,522)	(1,522)
						2,400

Information regarding loss allowance movement of trade receivables is disclosed in Note 5.

19. Financial risk management (continued)

Credit risk (continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Association's performance to developments affecting a particular industry.

Exposure to credit risk

The Association has no significant concentration of credit risk. The Association has credit policies and procedures in place to minimise and mitigate its credit risk exposure.

Other receivables (Note 2)

The Association assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Association measured the impairment loss allowance using 12-month ECL and determined that the ECL is insignificant.

Liquidity risk

Liquidity risk refers to the risk that the Association will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Association's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Association's operations are financed mainly through loan from related University Company. The Management Committee are satisfied that funds are available to finance the operations of the Association.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Association's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount	Contractual cash flows	One year or less	More than one year
	S$	S$	S$	S$
2022				
Financial assets:				
Trade and other receivables	10,305	10,305	10,305	-
Cash and bank balances	12,800	12,800	12,800	-
Total undiscounted financial assets	23,105	23,105	23,105	-
Financial liabilities:				
Loan from related University Company	220,083	220,083	6,763	213,320
Loan from third parties	85,000	85,000	-	85,000
Trade and other payables (excluding advance payment)	33,535	33,535	33,535	-
Total undiscounted financial liabilities	338,618	338,618	40,298	298,320
Net undiscounted financial liabilities	(315,513)	(315,513)	(17,193)	(298,320)

19. Financial risk management (continued)

Liquidity risk (continued)

Analysis of financial instruments by remaining contractual maturities (continued)

	Carrying amount S$	Contractual cash flows S$	One year or less S$	More than one year S$
2021				
Financial assets:				
Trade and other receivables	9,030	9,030	9,030	-
Cash and bank balances	9,375	9,375	9,375	-
Total undiscounted financial assets	18,405	18,405	18,405	-
Financial liabilities:				
Loan from related University Company	221,675	286,596	6,065	280,531
Loan from third parties	90,000	90,000	-	90,000
Trade and other payables	18,767	18,767	18,767	-
Total undiscounted financial liabilities	330,442	395,363	24,832	370,531
Net undiscounted financial liabilities	(312,037)	(376,958)	(6,427)	(370,531)

Market risk

Market risk is the risk that changes in market prices, such as interest rates will affect the Association's income. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Association's financial instruments will fluctuate because of changes in market interest rates. The Association's exposure to interest rate risk arises primarily from loan from related University Company.

The Association does not expect any significant effect on the Association's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

20. Financial instruments by category

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2022 S$	2021 S$
Financial assets measured at amortised cost		
Trade and other receivables (Note 5)	10,305	9,030
Cash and bank balances (Note 6)	12,800	9,375
Total financial assets measured at amortised cost	23,105	18,405
Financial liabilities measured at amortised cost		
Loan from related University Company (Note 7)	220,083	221,675
Loan from third paties (Note 8)	85,000	90,000
Trade and other payables (Note 9)	33,535	18,767
Total financial liabilities measured at amortised cost	338,618	330,442

21. Fund management

The primary objective of the Association's capital management is to safeguard the entity's ability to continue as a going concern. The University Company has undertaken not to recall the amounts due to them until such time the Associate is in the position to repay these amounts without impairing its liquidity position and to provide continuing financial support and adequate funds to enable the Associate to meet its liabilities as and when they fall due.

No changes were made in the objectives, policies or processes during the financial years ended 31 December 2022 and 31 December 2021.

The Association's overall strategy remains unchanged from 2021.

22. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2022 were authorised for issue by the Management Committee on the date of the Statement by the Management Committee.