ASSOCIATION OF PROCESS INDUSTRY AND ITS SUBSIDIARY

(UEN: S97SS0046G)

Financial Statements
for the financial year ended 31 March 2021

STATEMENT BY THE EXECUTIVE COUNCIL

In the opinion of the Executive Council:

(a) the accompanying consolidated financial statements of the Association of Process Industry (the "Association") and its subsidiary (the "Group") and the financial statements of the Association are properly drawn up in accordance with the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore so as to present fairly, in all material respects, the states of affairs of the Group and the Association as at 31 March 2021 and of the results, changes in accumulated funds and cash flows of the Group and the Association for the financial year ended on that date; and

(b) at the date of this statement, 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 Executive Council,

Quek Gim Cheng
President

Nah Yong Kang Steven
Treasurer

Chua Swee Tien Danny
Secretary

Singapore
15 June 2021

Tel: +65 6828 9118
Fax: +65 6828 9111
info@bdo.com.sg
www.bdo.com.sg

BDO LLP
Chartered Accountants
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF ASSOCIATION OF PROCESS INDUSTRY

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Association of Process Industry (the "Association") and its subsidiary (the "Group") which comprise the statements of financial position of the Group and the Association as at 31 March 2021, the income and expenditure accounts, statements of changes in accumulated funds and statements of cash flows of the Group and the Association for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the Association are properly drawn up in accordance with the provision of the Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore ("FRSs"), in all material respects, the states of affairs of the Group and the Association as at 31 March 2021 and the results, changes in accumulated funds and cash flows of the Group and the Association 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 Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Executive Council's Statement.

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.

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Executive Council for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

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

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Report on Other Legal and Regulatory Requirements

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

DocuSigned by:
BDO LLP
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BDO LLP
Public Accountants and
Chartered Accountants

Singapore
15 June 2021

ASSOCIATION OF PROCESS INDUSTRY AND ITS SUBSIDIARY

STATEMENTS OF FINANCIAL POSITION AS AT 31 MARCH 2021

		Group		Association	
	Note	31.3.2021	31.3.2020	31.3.2021	31.3.2020
		$	$	$	$
Non-current assets					
Investment in a subsidiary	4	-	-	-	-
Plant and equipment – Office	5	76,688	128,634	30,826	47,063
Plant and equipment – Institute of Process Industry ("IPI")	5	479,898	666,222	479,898	666,222
Right-of-use assets	6	331,950	434,540	474,019	573,107
		888,536	1,229,396	984,743	1,286,392
Current assets					
Trade and other receivables	7	557,339	596,507	755,701	556,132
Cash and bank balances	8	3,933,805	2,195,706	1,721,901	1,667,550
Fixed deposit	9	3,525,975	3,777,709	2,703,370	2,662,506
Tax recoverable		695	-	-	-
		8,017,814	6,569,922	5,180,972	4,886,188
Total assets		8,906,350	7,799,318	6,165,715	6,172,580
Accumulated funds		5,676,324	4,982,576	4,035,596	3,371,950
Non-current liability					
Deferred tax liability	10	1,734	1,734	1,734	1,734
Lease liabilities	11	272,202	344,003	272,202	344,003
		273,936	345,737	273,936	345,737
Current liabilities					
Other payables	12	2,055,636	1,649,832	819,040	1,526,563
Advance billings	13	732,192	476,317	732,192	476,317
Deferred grant income	14	88,762	220,512	83,383	205,018
Lease liabilities	11	71,802	98,158	213,871	239,298
Income tax payable		7,698	26,186	7,697	7,697
		2,956,090	2,471,005	1,856,183	2,454,893
Total fund and liabilities		8,906,350	7,799,318	6,165,715	6,172,580

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

INCOME AND EXPENDITURE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Note	Group 31.3.2021 $	Group 31.3.2020 $	Association 31.3.2021 $	Association 31.3.2020 $
Income					
Subscription fees		334,625	625,170	334,625	625,170
Entrance fees		128,000	105,600	128,000	105,600
Fixed deposit interest income		29,352	60,538	21,032	40,210
Government grant					
- Job Support Scheme		237,435	-	136,770	-
- Others		18,126	-	18,126	-
Grant received		64,360	144,422	61,356	144,068
Miscellaneous income		38,425	3,786	38,425	3,786
Management service income			-	200,000	200,000
Rent concession		10,715	-	10,715	-
Rental income		1,427,462	1,565,838	-	-
Training income		16,986	64,973	-	-
Surplus from Directory	15	189,000	234,427	189,000	234,427
Deficit from Event/Dialogue	15	-	(79)	-	(79)
Deficit from Members night	15	-	(19,704)	-	(19,704)
Surplus from Loi Hei event	15	-	2,416	-	2,416
Deficit/Surplus from 7th month event	15	(470)	8,569	(470)	8,569
Deficit/Surplus from Institute of Process Industry ("IPI")	16	(264,975)	(1,012,504)	367,598	(127,077)
		2,229,041	1,783,452	1,505,177	1,217,386
Less: total expenditures		(1,540,566)	(1,612,711)	(841,531)	(1,181,615)
Surplus for the financial year before taxation		688,475	170,741	663,646	35,771
Income tax credit	17	5,273	-	-	-
Surplus for the financial year after taxation		693,748	170,741	663,646	35,771

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

ASSOCIATION OF PROCESS INDUSTRY AND ITS SUBSIDIARY

INCOME AND EXPENDITURE ACCOUNTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Expenditures				
Advertisement and recruitment	434	1,668	434	1,618
Amortisation of right-of-use assets	64,485	64,485	64,485	64,485
Annual general meeting expenses	3,619	3,000	3,619	3,000
Auditors' remuneration	27,000	19,000	19,000	19,000
Away day	(10,000)	45,000	(10,000)	45,000
Bank charges	1,523	1,263	961	780
Business Continuity Planning ("BCP") expenses	25,956	1,577	554	1,577
Cleaning fees	50,280	51,750	300	197
Central Provident Fund ("CPF") contributions	117,781	100,104	76,931	74,647
Courier services fees	819	578	669	578
Depreciation of plant and equipment	65,677	66,072	26,318	27,672
Entertainment and souvenir expenses	5,390	6,487	4,966	6,286
General expenses	9,913	10,037	-	-
Interest expenses on lease liabilities	13,640	15,818	13,640	15,818
Insurance	21,513	22,798	15,948	12,644
Internet expenses	776	1,110	776	1,110
Newspaper and periodicals	-	828	-	828
Maintenance of computer and website	49,875	15,517	18,875	11,151
Medical fees	104	2,268	104	1,820
Meeting expenses	9,323	14,781	9,323	14,722
Miscellaneous Expenses	10,399	-	10,399	-
Office beverages	128	761	128	761
Office maintenance	8,648	9,854	1,338	916
Printing, stationery, and postage	15,319	21,501	12,051	19,240
Professional and legal fees	8,053	4,545	1,600	1,395
Project cost – Professional Conversion Program ("PCP")	-	649	-	649
Repairs and maintenance	2,065	5,220	1,553	3,005
Staff welfare and benefits	3,091	14,159	2,671	14,075
Staff salaries and bonus	974,438	1,032,585	552,080	809,207
Sponsorship	30,550	27,787	5,550	12,787
Stamp duty	-	880	-	880
Telecommunication charges	2,253	2,042	2,253	2,042
Transport expenses	5,040	6,027	4,915	4,996
Training and education	-	7,817	-	7,817
Utilities expenses	22,384	33,831	-	-
Workshop/Seminar/Talk	90	912	90	912
TOTAL EXPENDITURE	1,540,566	1,612,711	841,531	1,181,615

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

STATEMENTS OF CHANGES IN ACCUMULATED FUNDS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Accumulated fund $
Group	
Balance as at 1 April 2020	4,982,576
Surplus for the financial year after taxation	693,748
Balance as at 31 March 2021	5,676,324
Balance as at 1 April 2019	4,811,835
Surplus for the financial year after taxation	170,741
Balance as at 31 March 2020	4,982,576

	Accumulated fund $
Association	
Balance as at 1 April 2020	3,371,950
Surplus for the financial year after taxation	663,646
Balance as at 31 March 2021	4,035,596
Balance as at 1 April 2019	3,336,179
Surplus for the financial year after taxation	35,771
Balance as at 31 March 2020	3,371,950

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

ASSOCIATION OF PROCESS INDUSTRY AND ITS SUBSIDIARY

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2021

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Operating activities				
Surplus for the financial year before taxation	688,475	170,741	663,646	35,771
Adjustment for:				
Amortisation of right-of-use assets	102,590	93,065	241,157	231,632
Depreciation of plant and equipment	258,512	253,505	219,153	215,105
Interest expenses on lease liabilities	14,787	17,600	17,646	25,606
Plant and equipment written off		3,202		3,202
Fixed deposit interest income	(29,352)	(60,538)	(21,032)	(40,210)
Rent concession	(14,675)	-	(14,675)	-
Operating cash flows before working capital changes	1,020,337	477,575	1,105,895	471,106
Working capital changes:				
Trade and other receivables	39,168	506,746	(199,569)	520,955
Trade and other payables	405,804	423,690	(707,523)	411,966
Deferred grant income	(131,750)	220,512	(121,635)	205,018
Advance billings	255,875	(137,603)	255,875	(137,603)
Cash generated from operations	1,589,434	1,490,920	333,043	1,471,442
Tax paid	(13,910)	(31,495)	-	-
Net cash from operating activities	1,575,524	1,459,425	333,043	1,471,442
Investing activities				
Fixed deposit interest received	29,352	60,538	21,032	40,210
Purchases of plant and equipment	(20,242)	(615,054)	(16,592)	(612,199)
Net cash generated from/(used in) investing activities	9,110	(554,516)	4,440	(571,989)
Financing activities				
Decrease/(increase) in fixed deposits	251,734	(1,379,249)	(40,864)	(1,072,114)
Repayment of lease obligation under leases	(98,269)	(103,044)	(242,268)	(247,044)
Net cash generated from/(used in) financing activities	153,465	(1,482,293)	(283,132)	(1,319,158)
Net change in cash and bank balances	1,738,099	(577,384)	54,351	(419,705)
Cash and bank balances as at the beginning of the financial year	2,195,706	2,773,090	1,667,550	2,087,255
Cash and bank balances as at the end of financial year (Note 8)	3,933,805	2,195,706	1,721,901	1,667,550

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

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

1. General

The Association of Process Industry (the "Association") is registered as a Society and domicile in Singapore. The registered office and principal place of business of the Association is 9 Jurong Town Hall Road, #04-11, Trade Association Hub, Jurong Town Hall, Singapore 609431.

The main objectives of the Association are to promote and implement initiatives to upgrade the efficiency and effectiveness of the members through workers training, certification, management and supervisory skills, mechanisation and establishment of better work methods.

The Association operates Institute Process Industry ("IPI") to provide training courses to workers as disclosed in Note 16 to the financial statements.

The principal activity of the subsidiary is disclosed in Note 4 to the financial statements.

There were no significant changes in the nature of activities during the financial year.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore ("FRSs") including related Interpretations of FRSs ("INT FRSs") and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (its functional currency). The financial statements of the Group and the Association are presented in Singapore dollar ("$") which is the functional currency of the Association and the presentation currency for the consolidated financial statements.

The preparation of financial statements in compliance with FRSs requires management to make judgements, estimates and assumptions that affect the Group's application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have significant effect on the financial statements are disclosed in Note 3 to the financial statements.

<u>Changes in accounting policies</u>

New standards, amendments and interpretations effective from 1 April 2020

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

2. Summary of significant accounting policies (Continued)

2.1 Basis of preparation (Continued)

Changes in accounting policies (Continued)

New standards, amendments and interpretations effective from 1 April 2020 (Continued)

Amendment to FRS 116 Leases: Covid-19-Related Rent Concessions

Effective 1 June 2020, the amendment provides a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

(a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
(b) The reduction is lease payments affects only payments originally due on or before 30 June 2021; and
(c) There are is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not need to assess whether the rent concession meets the definition of a lease modification.

The Group has elected to utilise the practical expedient for all rent concessions that meet the criteria. The practical expedient has been applied retrospectively, meaning it has been applied to all rent concessions that satisfy the criteria, which in the case of the Group, occurred from March 2020 to July 2020. The impact of rent concessions is recognised as variable lease payments in income and expenditure accounts in the financial statements.

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 Group has not decided to early adopt. The Group does not expect any of these standards upon adoption will have a material impact to the Group.

2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Association and its subsidiary. Subsidiary is an entity over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiary is consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

2. Summary of significant accounting policies (Continued)

2.2 Basis of consolidation (Continued)

The financial statements of the subsidiary are prepared for the same reporting period as that of the Association, using consistent accounting policies. Where necessary, accounting policies of subsidiary are changed to ensure consistency with the policies adopted by other members of the Group.

When the Group loses control of a subsidiary it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to retained earnings) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 109 Financial Instruments.

Investments in subsidiary are carried at cost less impairment loss, if any, in the Association's separate financial statements.

2.3 Plant and equipment

All items of plant and equipment are initially recognised at cost. The cost 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 if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the plant and equipment.

Subsequent expenditure on an item of plant and equipment is added to the carrying amount of the item if it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other costs of servicing are recognised in profit or loss when incurred.

Plant and equipment are subsequently stated at cost less accumulated depreciation and any accumulated impairment losses.

2. Summary of significant accounting policies (Continued)

2.3 Plant and equipment (Continued)

Depreciation is charged so as to write off the cost of assets over their estimated useful lives, using the straight-line method, on the following bases:

Computer	3 years
Furniture and fitting	5 years
Office equipment	5 years
Renovation	5 years
Tools and equipment	5 years

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

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

An item of plant and equipment is derecognised upon disposal or when 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.

2.4 Impairment of non-financial assets

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets

The Group classifies its financial assets as amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

Amortised cost

These assets arise principally from the provision of 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 expected credit losses. During this process, the probability of the non-payment of the trade receivables is assessed. This probability is then multiplied by the amount of the expected loss arising from default to determine the lifetime expected credit loss for 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 other expenses in the statement of comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

Impairment provisions for other financial assets at amortised cost are recognised based on forward looking expected credit loss model. The methodology used to determine the amount of the provision is based on whether at each reporting date, there has been a significant increase in credit risk since initial recognition of the financial asset. For those where the credit risk has not increased significantly since initial recognition of the financial asset, twelve month expected credit losses along with gross interest income are recognised. For those for which credit risk has increased significantly, lifetime expected credit losses along with the gross interest income are recognised. For those that are determined to be credit impaired, lifetime expected credit losses along with interest income on a net basis are recognised.

The Group's financial assets measured at amortised cost comprise trade and other receivables (excluding prepayments and GST receivables) and cash and cash equivalents in the statement of financial position.

Derecognition of financial assets

The Group 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.

2. Summary of significant accounting policies (Continued)

2.5 Financial instruments (Continued)

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Association after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. Ordinary shares are classified as equity on the statement of financial position.

Financial liabilities

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

Other payables

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

2.6 Cash and bank balances

Cash and bank balances in the statement of financial position comprise cash on hand and deposits with banks and financial institutions which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. For the purposes of the statement of cash flows, cash and cash equivalents also includes pledged fixed deposits and fixed deposits with maturity greater than 3 months.

2.7 Revenue recognition

Revenue is recognised when a performance obligation is satisfied. Revenue is measured based on consideration of which the Group expects to be entitled in exchange for transferring promised good to a customer, excluding amounts collected on behalf of third parties (i.e. sales-related taxes).The consideration promised in the contracts with customers only include fixed amounts. All the Group’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.

Revenue from subscription fees

Annual subscription fees are recognised are recognised at over the membership period.

2. Summary of significant accounting policies (Continued)

2.7 Revenue recognition (Continued)

Revenue from members' entrance fees

Members' entrance fees are recognised at a point in time when the membership right is transferred to the member.

Revenue from course fees

Course fees revenue is recognised over the period of instructions.

Revenue from events

Events revenue is recognised at a point in time when the events take place.

Management service income

Management service income is recognised when the services are rendered, provided that the amount can be measured reliably.

Rental income

Rental income is recognised in profit or loss over the term of the lease.

2.8 Government grant

Government grants are recognised at their 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 expenses are accounted for in the year where the related costs it intends to compensate is incurred and recognised in the profit or loss.

2.9 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 Group's incremental borrowing rate on commencement of the lease is used.

2. Summary of significant accounting policies (Continued)

2.9 Leases (Continued)

As lessee (Continued)

Initial measurement (Continued)

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 Group 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.

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 Group is contractually required to dismantle, remove or restore the leased asset.

The Group presents the right-of-use assets and lease liabilities separately from other assets and other liabilities in the consolidated 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 remeasurement 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 Group will exercise the purchase option, the right-of-use assets are depreciated over the useful life of the underlying asset. The estimated useful life of right-of-use assets are as follows:

Office premises	2-7 years

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 2.4 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 remeasurement due to reassessment or lease modifications.

2. Summary of significant accounting policies (Continued)

2.9 Leases (Continued)

As lessee (Continued)

Subsequent measurement (Continued)

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

When the Group 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 remeasurement is recognised directly in profit or loss.

When the Group 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 asses 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 Group has elected to account for the entire contract as a lease. The Group does not allocate any amount of contractual payments to, and account separately for, any services provided by the lessor as part of the contract.

As lessor

When the Group is a lessor, it determines whether each lease entered is a finance or an operating lease at the lease inception date and reassessed only if there is a lease modification. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Whereas, it is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

If the lease arrangement contains lease and non-lease components, the Group applies the principles within FRS 115 to allocate consideration in the lease arrangement.

2. Summary of significant accounting policies (Continued)

2.9 Leases (Continued)

As lessor (Continued)

The Group recognises lease payments under operating leases as income on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which benefit from the use of the underlying asset is diminished. The lease payment recognised is included as part of "Other income". Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the underlying asset and recognised as expense over the lease term on the same basis as lease income.

Any modification to an operating lease is accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

2.10 Retirement benefit costs

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution plan.

2.11 Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit reported as profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authority and is calculated using tax rates (and tax laws) that have been enacted or substantively by the end of the financial year.

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.

Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

2. Summary of significant accounting policies (Continued)

2.11 Income tax (Continued)

Deferred tax (Continued)

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiary, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Association expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Association intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity, or where it arises from the initial accounting for a business combination.

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

3. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Association’s accounting policies, which are described in Note 2, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

3. Critical accounting judgements and key sources of estimation uncertainty (Continued)

3.1 Critical judgements made in applying the Association's accounting policies

Management is of the opinion that there are no critical judgements (other than those involving estimates) that have a significant effect on the amounts recognised in the financial statements.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty as at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities and reported amounts of revenue and expenses within the next financial year, are discussed below.

(i) Loss allowance for impairment of trade receivables

The Group uses a provision matrix to calculate expected credit loss for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit loss is a significant estimate. The amount of expected credit loss is sensitive to changes in circumstances and of forecast economic conditions.

The carrying amount of the Group and Association's trade receivables as at 31 March 2021 was $443,748 (2020: $369,554) and $443,748 (2020: $358,863) respectively.

(ii) Measurement of lease liabilities

Lease liabilities are measured at the present value of the contractual payments due to the lessor over the lease term. The Group has determined the discount rate by reference to the respective lessee's incremental borrowing rate when the rate inherent in the lease is not readily determinable. The Group obtains the relevant market interest rate after considering the applicable geographical location where the lessee operates as well as the term of the lease. Management considers its own credit spread information from its recent borrowings, industry data available as well as any security available in order to adjust the market interest rate obtained from similar economic environment, term and value of the lease.

The weighted average incremental borrowing rate applied to lease liabilities as at 31 March 2021 was 2.50% to 3.72% (2020: 3.72%). The carrying amount of the Group's and the Association's lease liabilities as at 31 March 2021 was $344,004 (2020: $442,161) and $486,073 (2020: $583,301) respectively.

4. Investment in a subsidiary

The details of the subsidiary is as follows:

Name of company (Country of incorporation and place of business)	Effective equity interest		Principal activity
	2021	2020	
	%	%	
Aspri Dormitory Pte. Ltd.[1] (Singapore)	100	100	Rendering dormitory services, Training and Consultancy Services

[1] The subsidiary is considered to be wholly-owned subsidiary of the Association as the shareholders of the subsidiary are trustees of the Association.

On 22 December 2014, the Association accepted an offer from Jurong Town Corporation ("JTC") via a direct allocation basis to lease a land located at 5D Jalan Papan Singapore 619421 (the "land") to operate and maintain a workers' dormitory for a period of 23 years. The subsidiary was incorporated to hold this land.

On 22 December 2014, the Group entered into a sublease arrangement with a third party for a period of 23 years after obtaining approval from JTC.

5. Plant and equipment

Group

	Computer	Furniture and fitting	Office equipment	Renovation	Tools and equipment	Total
	$	$	$	$	$	$
Cost						
Balance as at 1 April 2020	321,746	114,705	53,109	254,860	837,995	1,582,415
Additions	16,592	-	3,650	-	-	20,242
Write off	(17,217)	-	-	-	-	(17,217)
Balance as at 31 March 2021	321,121	114,705	56,759	254,860	837,995	1,585,440
Accumulated depreciation						
Balance as at 1 April 2020	269,546	60,925	36,542	149,011	271,535	787,559
Depreciation for the year	32,020	21,064	7,185	47,738	150,505	258,512
Write off	(17,217)	-	-	-	-	(17,217)
Balance as at 31 March 2021	284,349	81,989	43,727	196,749	422,040	1,028,854
Net carrying amount						
Balance as at 31 March 2021	36,772	32,716	13,032	58,111	415,955	556,586

5. Plant and equipment (Continued)

Group (Continued)

	Computer	Furniture and fitting	Office equipment	Renovation	Tools and equipment	Total
	$	$	$	$	$	$
Cost						
Balance as at 1 April 2019	308,616	92,718	46,773	232,820	291,255	972,182
Additions	17,951	21,987	6,336	22,040	546,740	615,054
Write off	(4,821)	-	-	-	-	(4,821)
Balance as at 31 March 2020	321,746	114,705	53,109	254,860	837,995	1,582,415
Accumulated depreciation						
Balance as at 1 April 2019	213,345	40,961	30,229	102,375	148,763	535,673
Depreciation for the year	57,820	19,964	6,313	46,636	122,772	253,505
Write off	(1,619)	-	-	-	-	(1,619)
Balance as at 31 March 2020	269,546	60,925	36,542	149,011	271,535	787,559
Net carrying amount						
Balance as at 31 March 2020	52,200	53,780	16,567	105,849	566,460	794,856

5. Plant and equipment (Continued)

(a) Association - Office

	Computer	Furniture and fitting	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 April 2020	59,386	24,595	10,388	52,372	146,741
Additions	10,081	-	-	-	10,081
Balance as at 31 March 2021	69,467	24,595	10,388	52,372	156,822
Accumulated depreciation					
Balance as at 1 April 2020	44,754	14,766	8,736	31,422	99,678
Depreciation for the year	11,026	4,479	337	10,476	26,318
Balance as at 31 March 2021	55,780	19,245	9,073	41,898	125,996
Net carrying amount					
Balance as at 31 March 2021	13,687	5,350	1,315	10,474	30,826

5. Plant and equipment (Continued)

(a) Association - Office (Continued)

	Computer	Furniture and fitting	Office equipment	Renovation	Total
	$	$	$	$	$
Cost					
Balance as at 1 April 2019	56,705	24,595	8,708	52,372	142,380
Additions	2,681	-	1,680	-	4,361
Balance as at 31 March 2020	59,386	24,595	10,388	52,372	146,741
Accumulated depreciation					
Balance as at 1 April 2019	32,063	10,287	8,708	20,948	72,006
Depreciation for the year	12,691	4,479	28	10,474	27,672
Balance as at 31 March 2020	44,754	14,766	8,736	31,422	99,678
Net carrying amount					
Balance as at 31 March 2020	14,632	9,829	1,652	20,950	47,063

5. Plant and equipment (Continued)

(b) Association - Project - IPI

	Computer	Furniture and fitting	Office equipment	Renovation	Tools and equipment	Total
	$	$	$	$	$	$
Cost						
Balance as at 1 April 2020	232,326	90,110	36,147	46,590	837,995	1,243,168
Additions	6,511	-	-	-	-	6,511
Write off	(17,217)	-	-	-	-	(17,217)
Balance as at 31 March 2021	221,620	90,110	36,147	46,590	837,995	1,232,462
Accumulated depreciation						
Balance as at 1 April 2020	213,460	46,159	24,891	20,901	271,535	576,946
Depreciation for the year	11,015	16,586	5,413	9,317	150,504	192,835
Write off	(17,217)	-	-	-	-	(17,217)
Balance as at 31 March 2021	207,258	62,745	30,304	30,218	422,039	752,564
Net carrying amount						
Balance as at 31 March 2021	14,362	27,365	5,843	16,372	415,956	479,898

5. Plant and equipment (Continued)

(b) Association - Project – IPI (Continued)

	Computer	Furniture and fitting	Office equipment	Renovation	Tools and equipment	Total
	$	$	$	$	$	$
Cost						
Balance as at 1 April 2019	224,732	68,123	31,491	24,550	291,255	640,151
Additions	12,415	21,987	4,656	22,040	546,740	607,838
Write off	(4,821)	-	-	-	-	(4,821)
Balance as at 31 March 2020	232,326	90,110	36,147	46,590	837,995	1,243,168
Accumulated depreciation						
Balance as at 1 April 2010	179,089	30,674	19,921	12,685	148,763	391,132
Depreciation for the year	35,990	15,485	4,970	8,216	122,772	187,433
Write off	(1,619)	-	-	-	-	(1,619)
Balance as at 31 March 2020	213,460	46,159	24,891	20,901	271,535	576,946
Net carrying amount						
Balance as at 31 March 2020	18,866	43,951	11,256	25,689	566,460	666,222

6. Right-of-use assets

	Office premises $
Group	
Cost:	
Balance as at 1 April 2020	434,540
Amortisation charge	(102,590)
Balance as at 31 March 2021	331,950
Cost:	
Balance as at 1 April 2019	
- Adoption of FRS 116	451,393
Additions	76,212
Amortisation charge	(93,065)
Balance as at 31 March 2020	434,540
Association	
Cost:	
Balance as at 1 April 2020	573,107
Modifications	142,069
Amortisation charge	(241,157)
Balance as at 31 March 2021	474,019
Cost:	
Balance as at 1 April 2019	
- Adoption of FRS 116	728,527
Additions	76,212
Amortisation charge	(231,632)
Balance as at 31 March 2020	573,107

7. Trade and other receivables

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Trade receivables				
- third parties	464,808	379,351	464,808	368,660
Less: loss allowance	(21,060)	(9,797)	(21,060)	(9,797)
	443,748	369,554	443,748	358,863
Other receivables				
- third parties	38,154	50,279	36,626	37,519
Grant receivable from the government under the Job Support Scheme	-	135,512	-	120,018
Amount due from a subsidiary	-	-	206,479	-
Prepayment	51,069	19,600	47,286	18,170
GST receivables	2,806	-	-	-
Refundable deposits	21,562	21,562	21,562	21,562
Total trade and other receivables	557,339	596,507	755,701	556,132
Less: Prepayment	(51,069)	(19,600)	(47,286)	(18,170)
Less: GST receivables	(2,806)	-	-	-
Add: Cash and bank balances	7,459,780	5,973,415	4,425,271	4,330,056
Total financial assets carried at amortised cost	7,963,244	6,550,322	5,133,686	4,868,018

Movements in the loss allowance for trade receivables are as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Balance as at the beginning of the financial year	9,797	15,411	9,797	15,411
Reclassification of loss allowance	11,263	-	11,263	-
Bad debts written off	-	(5,614)	-	(5,614)
Balance as at end of the financial year	21,060	9,797	21,060	9,797

Trade receivables are unsecured, non-interest bearing and are generally on 30 (2020: 30) days credit terms.

The non-trade amounts due from third parties are unsecured, non-interest bearing and repayable on demand.

The amount due from a subsidiary are unsecured, non-interest bearing and repayable on demand.

The grant receivable relates to Jobs Support Scheme ("JSS") announced by the Singapore Government to provide wage support to employers to help them retain their local employees during the period of economic uncertainty impacted by COVID-19. There was reasonable assurance that it will comply with the conditions attached to the grants and the grants will be received.

Trade and other receivables are denominated in Singapore dollars.

8. Cash and bank balances

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Cash at bank	3,930,705	2,192,606	1,718,801	1,664,450
Cash on hand	3,100	3,100	3,100	3,100
	3,933,805	2,195,706	1,721,901	1,667,550

Cash and bank balances are denominated in Singapore dollars.

9. Fixed deposit

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Fixed deposit	3,475,850	3,777,709	2,653,245	2,662,506
Fixed deposit pledged	50,125	-	50,125	-
	3,525,975	3,777,709	2,703,370	2,662,506

Fixed deposits with bank mature on dates within 1 year (2020: 1 year) from the financial year end. Interest rate range from 0.1% to 0.7% (2020: 0.8% to 1.20%) per annum, which is also the effective interest rate.

Fixed deposits of $50,125 (2020: $Nil) are held as collateral for the corporate card banking facilities.

10. Deferred tax liabilities

The movement for the financial year in deferred tax liabilities are as follows:

	Group and Association	
	2021	2020
	$	$
Plant and equipment		
Balance as at beginning and the end of the financial year	1,734	1,734

11. Lease liabilities

	Office premises $
Group	
Balance as at 1 April 2020	442,161
Interest expense	14,787
Lease payments	
- Principal portion	(83,482)
- Interest portion	(14,787)
Rent concession	(14,675)
Balance as at 31 March 2021	344,004
Balance as at 1 April 2019	
- Adoption of FRS 116	451,393
Additions	76,212
Interest expense	17,600
Lease payments	
- Principal portion	(85,444)
- Interest portion	(17,600)
Balance as at 31 March 2020	442,161
Association	
Balance as at 1 April 2020	583,301
Modifications	142,069
Interest expense	17,646
Lease payments	
- Principal portion	(224,622)
- Interest portion	(17,646)
Rent concession	(14,675)
Balance as at 31 March 2021	486,073
Balance as at 1 April 2019	
- Adoption of FRS 116	728,527
Additions	76,212
Interest expense	25,606
Lease payments	
- Principal portion	(221,438)
- Interest portion	(25,606)
Balance as at 31 March 2020	583,301

11. Lease liabilities (Continued)

The maturity analysis of lease liabilities of the Group and Association at each reporting date are as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Contractual undiscounted cash flows				
- Not later than a year	83,244	112,944	227,244	256,944
- Between one and two years	146,688	156,588	146,688	156,588
- Between two and five years	146,688	220,032	146,688	220,032
	376,620	489,564	520,620	633,564
Less: Future interest expense	(32,616)	(47,403)	(34,547)	(50,263)
Present value of lease liabilities	344,004	442,161	486,073	583,301
Presented in consolidated statement of financial position				
- Non-current	272,202	344,003	272,202	344,003
- Current	71,802	98,158	213,871	239,298
	344,004	442,161	486,073	583,301

The leases liabilities of the Group and Association relates to leases of office premises in Singapore which consist of fixed payments. As at 31 March 2021, the average incremental borrowing rate applied in the lease was 2.50% to 3.72% (2020: 3.72%).

12. Other payables

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Other payables and accruals				
- third parties	983,366	1,605,054	753,325	1,461,175
Property tax rebates due to a tenant	1,006,555	-	-	-
Goods and services tax ("GST") Payable	65,715	44,778	65,715	65,388
Total other payables	2,055,636	1,649,832	819,040	1,526,563
Less: GST payable	(65,715)	(44,778)	(65,715)	(65,388)
Total financial liabilities carried at amortised cost	1,989,921	1,605,054	753,325	1,461,175

Other payables are unsecured, non-interest bearing and repayable on demand.

Property tax rebates due to a tenant relates to property tax rebates received from the Singapore Government to help businesses deal with the impact from COVID-19. The Group is obliged to pass on the benefits to its tenant and to transfer these to the tenant in form of rent rebates.

Other payables are denominated in Singapore dollars.

13. Advance billings

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Subscription fees	650,760	310,860	650,760	310,860
Entrance fees	28,000	-	28,000	-
Course fees	53,432	165,457	53,432	165,457
Balance as at 31 March	732,192	476,317	732,192	476,317

Advance billings represents subsequent year subscription fees, entrance fees and course fees billed in advance but not earned. It will be recognised in subsequent financial year as revenue in the income and expenditure account.

Significant changes in advance billings are as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Balance as at 1 April	476,317	613,920	476,317	613,920
Addition	688,038	820,087	688,038	820,087
Recognised as revenue	(431,163)	(957,690)	(431,163)	(957,690)
Balance as at 31 March	732,192	476,317	732,192	476,317

As at 31 March 2021, the Group's and the Association's aggregate amount of transaction price allocated to the unsatisfied performance obligations for the subscription fees, entrance fees and course fees are $732,192 (2020: $476,317) respectively. The Group and the Association expect these performance obligations for the subscription fees, entrance fees and course fees to be recognised in the next 1 year (2020: 1 year) respectively.

14. Deferred grant income

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Deferred grant income from the government under the Job Support Scheme	23,762	135,512	18,383	120,018
Deferred capital grant income	65,000	85,000	65,000	85,000
	88,762	220,512	83,383	205,018

Deferred grant income from the government under the Job Support Scheme will be recognised as grant income over the periods when related salary costs are incurred.

Deferred capital grant income relates to grants from government for the implementation of soldamatic welding training solution under work programme which is recognised as grant income over the useful lives of the tools and equipment.

15. Income

	Group and Association	
	2021	2020
	$	$
Directory	200,000	246,627
Less: Expenditure		
Development and production cost	(11,000)	(12,200)
Surplus from Directory	189,000	234,427
Events/Dialogue	-	-
Less: Expenditure		
Events cost	-	(79)
Deficit from Event/Dialogue	-	(79)
Members' night	-	1,519
Less: Expenditure		
Events cost	-	(21,223)
Deficit from Members' night	-	(19,704)
Loi Hei event	-	72,310
Less: Expenditure		
Event expenses	-	(69,894)
Surplus/Deficit from Loi Hei event	-	2,416
7th Month event	9,936	51,477
Less: Expenditure		
Event organisation fees and disbursement	(10,406)	(42,908)
(Deficit)/Surplus from 7th Month event	(470)	8,569

16. Deficit from Institute of Process Industry ("IPI")

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Course revenue	731,517	1,559,694	731,517	1,559,694
Government grants				
- Job Support Scheme	203,314	-	203,314	-
- Others	337	-	337	-
Amortisation of deferred grant income	20,000	15,000	20,000	15,000
IPI Project – "COE"	85,866	-	85,866	-
Other income	-	489	-	489
Rent concession	3,960	-	3,960	-
Training fee income	-	-	774,000	1,032,000
	1,044,994	1,575,183	1,818,994	2,607,183
Less: Expenditure				
Course fee	162,704	799,110	162,704	799,110
Depreciation of plant and equipment	147,135	117,261	147,135	117,261
	309,839	916,371	309,839	916,371
	735,155	658,812	1,509,155	1,690,812
Less: Operating Expenses				
Amortisation of right-of-use assets	38,105	28,580	176,672	167,147
Bank charges	718	830	718	830
Business Continuity Planning ("BCP") expenses	17,025	4,184	17,025	4,184
Cleaning services	1,396	8,309	1,396	8,309
CPF Contributions	95,494	114,250	95,494	114,250
Depreciation of plant and equipment	45,700	70,172	45,700	70,172
Entertainment and souvenir expenses	1,481	-	1,481	-
IPI Project – "COE"	80,731	-	80,731	-
Inspection and certification fee	9,188	3,080	9,188	3,080
Insurance fee	13,208	10,104	13,208	10,104
Interest expenses on lease liabilities	1,147	1,782	4,006	9,788
Internet charges	-	5,688	-	5,688
Plant and equipment written off	-	3,202	-	3,202
Meeting expenses	568	3,440	569	3,440
Maintenance of office equipment	8,179	6,827	8,179	6,827
Maintenance of computer	47,981	32,481	47,981	32,481
Medical fee	-	2,008	-	2,008
Office beverage	2,510	15,855	2,510	15,855
Pantry allowance	1,837	2,719	1,837	2,719
Photocopy expense	7,195	24,567	7,195	24,567
Printing, stationery, and postage	18,746	51,848	18,746	51,848
Recruitment	568	6,294	568	6,294
Sponsorship	400	3,443	400	3,443
Staff salaries and bonus	548,550	1,128,035	548,550	1,128,035
Staff welfare	1,671	8,364	1,671	8,364
Staff training course	3,023	5,275	3,023	5,275
Stamp duty	-	892	-	892
Telephone	3,638	1,693	3,638	1,693
Trainer and Resident Engagement	-	5,993	-	5,993
Transport and travelling	21,379	36,482	21,379	36,482
Utilities	52	435	52	435
Wages	17,290	26,598	17,290	26,598
Workshop accessories	12,350	57,886	12,350	57,886
	1,000,130	1,671,316	1,141,557	1,817,889
(Deficit)/Surplus from IPI	(264,975)	(1,012,504)	367,598	(127,077)

17. Income tax credit

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Current income tax				
- current financial year	-	-	-	-
- over-provision in prior year	(5,273)	-	-	-
	(5,273)	-	-	-

The tax on profit before tax differs from the theoretical amount that would arise using the Singapore standard rate of income tax as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Surplus for the financial year before taxation	688,475	170,741	663,646	35,771
Tax at the applicable tax rate of 17% (2020: 17%)	117,041	29,026	112,820	6,081
Tax effect of:				
Income that are not taxable	(69,084)	-	(52,167)	-
Expenses that are not deductible	4,250	-	-	-
Over-provision of taxation in respect of prior years	(5,273)	-	-	-
Utilisation of previously unrecognised deferred tax	(57,814)	-	(57,814)	-
Deferred tax assets not recognised	11,943	-	-	-
Singapore statutory stepped income exemption	-	(10,043)	-	-
Corporate tax rebates	-	(2,298)	-	-
Others	(6,336)	(16,685)	(2,839)	(6,081)
	(5,273)	-	-	-

At 31 March 2021, the Group has unutilised tax losses of $7,755 (2020: $Nil), unutilised capital allowances of $736,827 (2020: $1,043,694) and unutilised donations of $62,500 (2020: $Nil) which are available for set off against future taxable income subject to the respective local tax provisions and regulations. No deferred tax asset was recognised as at 31 March 2021 for these unutilised tax losses due to uncertainty of their recoverability.

18. Significant related party transactions

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Association entered into the following transactions with related parties at rates and terms agreed between the parties:

	Association	
	2021	2020
	$	$
With subsidiary		
Management fee	200,000	200,000
Rental of premises	144,000	144,000
Training fee income	774,000	1,032,000
Expenses paid on behalf	9,795	18,373

Key management personnel remuneration

Key management personnel are Executive Council who have the authority and responsibility for planning, directing and controlling the activities of the Association, directly or indirectly. The Association's key management personnel are the Executive Councils of the Association.

There were no remunerations paid to key management personnel during the financial year.

19. Operating lease commitments

As lessor

The Group leases out the land at $118,500 per month over the duration of the lease term. The remaining lease term as at 31 March 2021 was 16.75 years (2020: 17.75 years).

20. Financial instruments and financial risks

The Group's activities expose it to credit risk, market risk (including interest rate risk), and liquidity risk. The Association's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's financial performance.

The Executive Council is responsible for setting the objectives and underlying principles of financial risk management for the Group. The Group's management then establishes the detailed policies such as risk identification and measurement, exposure limits and hedging strategies, in accordance with objectives and underlying principles approved by the Executive Council.

There have been no changes to the Group's exposures to these financial risks or the manner in which it manages and measures the risk.

20.1 Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in a loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require a collateral.

20. Financial instruments and financial risks (Continued)

20.1 Credit risk (Continued)

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk.

The Group does not have any significant credit exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's major classes of financial assets are cash and bank balances and trade and other receivables (excluding GST receivables and prepayment).

Cash and bank balances and fixed deposits

Credit risk also arises from cash and balances and fixed deposits held with banks. The Board of Directors monitors the credit ratings of counterparties regularly. Impairment of cash and bank balances and fixed deposits have been measured based on 12-month expected credit loss model. At each reporting date, the Group and Association did not expect any material credit losses from non-performance by these banks which are assigned with minimum rating "A" and above by international credit-rating agencies.

Trade receivables

The exposure to credit risk and expected credit loss for trade receivables of the Group and Association are as follows:

	Group		Association	
	2021	2020	2021	2020
	$	$	$	$
Past due for 1 to 90 days	128,079	364,708	128,079	344,447
Past due for 90 days to 120 days	6,439	10,632	6,439	10,632
Past due for 120 days to 365 days	20,884	11,421	20,884	11,421
Past due for more than 365 days	2,160	2,160	2,160	2,160

Management measures loss allowance for trade receivables at an amount equal to expected credit losses ("ECL"). The ECL on trade receivables are determined based on historical loss rates and historical payment pattern, adjusted for the current conditions and forecast of future economic conditions that may affect the ability of the customers to settle the trade receivables at each reporting date.

Management measures loss allowance for trade receivables at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables are determined based on the recoveries of the Group and the Association's past due trade receivables having taken into account the available internal information on the third parties' past, current and expected operating performance. The risk of default is considered to be minimal as trade receivables are substantially from members with good collection track record with the Association. Based on the above assessment, lifetime expected credit loss has been recognised for trade receivables are disclosed in Note 7 to the financial statements.

20. Financial instruments and financial risks (Continued)

20.1 Credit risk (Continued)

Other receivables

Management monitors and assess at each reporting date on any indicator of significant increase in credit risk for the other receivables. In the assessment for indicators, management took into account information that are available internally about these counterparties and if the entities had defaulted in their debts. Based on the assessment, management has determined that these receivables are subjected to immaterial credit losses.

20.2 Market risk

Interest rate risk

The Group’s activities are not significantly exposed to changes in market interest rates. The Group has no significant interest-earning financial assets, except for bank balances placed with financial institutions. Exposure to interest rate risks is monitored on an ongoing basis to ensure that the net exposure is at an acceptable level.

The management does not expect any material impact on profit or loss arising from the effect of reasonable possible changes to interest rate on interest earning fixed deposits. As such interest rate sensitivity analysis is not prepared.

20.3 Liquidity risk

Liquidity risks refer to the risks in which the Group encounters difficulties in meeting its short-term obligations.

The Group actively manage their operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of their overall prudent liquidity management, the Group maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The table below analyses the Group’s non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

20. Financial instruments and financial risks (Continued)

20.3 Liquidity risk (Continued)

	On demand or within 1 year	Within 2 to 5 years	Total
	$	$	$
Group			
31 March 2021			
Other payables	1,989,921	-	1,964,921
Lease liabilities	83,244	293,376	376,620
	2,073,165	293,376	2,341,541
31 March 2020			
Other payables	1,605,054	-	1,605,054
Lease liabilities	112,944	376,620	489,564
	1,717,998	376,620	2,094,618
Association			
31 March 2021			
Other payables	753,325	-	728,325
Lease liabilities	227,244	293,376	520,620
	980,569	293,376	1,248,945
31 March 2020			
Other payables	1,461,175	-	1,461,175
Lease liabilities	256,944	376,620	633,564
	1,718,119	376,620	2,094,739

21. Capital management policies and objectives

The Group regards its accumulated funds as capital funds. The Group's objectives when managing the capital funds are to safeguard the Group's ability to continue as a going concern and to ensure that it has sufficient working capital to funds its activities and meet its obligation.

The capital structure of the Group comprises of accumulated funds.

The Group's overall strategy remains unchanged for the financial years ended 31 March 2021 and 31 March 2020.

The Group has no externally imposed capital requirements for the financial years ended 31 March 2021 and 31 March 2020.

22. Authorisation of financial statements

The consolidated financial statements of the Group and the financial statements of the Association for the financial year ended 31 March 2021 were authorised for issue by the Executive Council on 15 June 2021.