

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

AUDITED FINANCIAL STATEMENTS

31 DECEMBER 2021

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore), which comprise the statement of financial position as at 31 December 2021, income & expenditure statement 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 Financial Reporting Standards in Singapore (FRSS) so as to give a true and fair view of the financial position as at 31 December 2021 and of the financial performance and cash flows 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 of Dutch Business People - Dutch Chamber of Commerce (Singapore) 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

Board Members are responsible for the other information. The other information comprises the Statement by the Board Members (set out on page 4).

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.

Responsibilities of Board Members for the Financial Statements

Board Members are responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the 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, Board Members are responsible for assessing The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore)'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 Association of Dutch Business People - Dutch Chamber of Commerce (Singapore) or to cease operations, or has no realistic alternative but to do so.

The Board Members' responsibilities include overseeing The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore)'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 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 skepticism 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 of Dutch Business People - Dutch Chamber of Commerce (Singapore)'s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board Members.

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

- Conclude on the appropriateness of Board Members' 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 of Dutch Business People - Dutch Chamber of Commerce (Singapore)'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 of Dutch Business People - Dutch Chamber of Commerce (Singapore) 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 Board Members 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.



Public Accountants and
Chartered Accountants of
Singapore

Singapore
25 March 2022

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

| | Note | 2021 S\$ | 2020 S\$ |
|------------------------------------|------|-------------|-------------|
| MEMBERS' FUND | | | |
| Accumulated fund | (3) | 203,728 | 160,670 |
| Represented by: | | | |
| PLANT & EQUIPMENT | (4) | - | 292 |
| CURRENT ASSETS | | | |
| Membership fee receivables | (5) | 116,999 | 118,289 |
| Other receivables | (6) | - | 1,500 |
| Cash & cash equivalents | (8) | 370,020 | 297,677 |
| | | 487,019 | 417,466 |
| less : | | | |
| CURRENT LIABILITIES | | | |
| Membership fee received in advance | | 266,765 | 230,716 |
| Other payables | (7) | 12,871 | 23,459 |
| Provision for income tax | | 3,655 | 2,913 |
| | | 283,291 | 257,088 |
| NET CURRENT ASSETS | | 203,728 | 160,378 |
| TOTAL NET ASSETS | | 203,728 | 160,670 |

STATEMENT BY THE BOARD MEMBERS

In the opinion of the Board Members, the financial statement of The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore), together with notes thereon, are drawn up so as to exhibit a true and fair view of the financial position of The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore) as at 31 December 2021 and of the financial performance and cash flows for the year then ended.

Signed in Singapore on 25 March 2022

On behalf of Board Members



Marjolein Oyen
Chairman



Mark van Rooijen
Treasurer

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

**INCOME & EXPENDITURE STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | 2021 S\$ | 2020 S\$ |
|---|------|---|---|
| INCOME | | | |
| Membership fee income | (9) | 223,810 | 232,234 |
| Events & seminars | (9) | 25,353 | 23,217 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| | | 249,163 | 255,451 |
| Add: Other income | | 1,150 | 39 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| | | 250,313 | 255,490 |
| Less: | | | |
| EXPENDITURE | | | |
| Accounting fee – prior year’s overprovision | | - | (3,095) |
| Allowance for expected credit losses – current year | | 1,538 | 780 |
| – written back | | (780) | (6,122) |
| Audit fee | | 4,600 | 4,600 |
| Bad debts written off (membership fee receivables) | | - | 850 |
| Bank charges | | 1,493 | 2,163 |
| Conference/seminar expenses – current year | | 20,945 | 20,834 |
| – prior year’s overprovision | | - | (4,609) |
| Depreciation of plant & equipment | | 292 | 3,659 |
| Entertainment | | - | 398 |
| General expenses | | 6,011 | 6,371 |
| Lease expense | | 9,001 | 8,999 |
| Marketing expenses | | - | 1,834 |
| Membership subscription | | 10,370 | 5,948 |
| Postage & courier | | - | 20 |
| Printing & stationery | | 14 | 100 |
| Salary | | 142,551 | 161,753 |
| SDL | | 308 | 354 |
| Staff welfare | | 903 | 220 |
| Tax fee | | 300 | 300 |
| Telephone & fax | | 579 | 688 |
| Transport | | 216 | 572 |
| Website design and development | | 4,920 | 9,270 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| | | 203,261 | 215,887 |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| SURPLUS before income tax | | 47,052 | 39,603 |
| Less: INCOME TAX | (10) | (3,994) | (2,960) |
| | | <hr style="border-top: 1px dashed black;"/> | <hr style="border-top: 1px dashed black;"/> |
| SURPLUS for the year | | 43,058 | 36,643 |
| | | <hr style="border-top: 3px double black;"/> | <hr style="border-top: 3px double black;"/> |

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | 2021 S\$ | 2020 S\$ |
|---|------|----------------|----------------|
| Operating Activities: | | | |
| Surplus before tax | | 47,052 | 39,603 |
| Adjustment for: | | | |
| Depreciation of plant & equipment | (4) | 292 | 3,659 |
| Allowance for expected credit losses | | 758 | (5,342) |
| | | <u>48,102</u> | <u>37,920</u> |
| Operating surplus before changes in working capital | | 48,102 | 37,920 |
| Changes in: | | | |
| Membership fee receivables | | 532 | 40,818 |
| Other receivables | | 1,500 | - |
| Membership fee received in advance | | 36,049 | (13,643) |
| Other payables | | (10,588) | (16,516) |
| | | <u>75,595</u> | <u>48,579</u> |
| Cash generated from operations | | 75,595 | 48,579 |
| Income tax paid | | (3,252) | (2,905) |
| | | <u>72,343</u> | <u>45,674</u> |
| Net cash inflow from operating activities | | <u>72,343</u> | <u>45,674</u> |
| Investing Activities: | | | |
| Purchase of plant & equipment | (4) | - | (1,169) |
| | | <u>-</u> | <u>(1,169)</u> |
| Net cash used in investing activities | | <u>-</u> | <u>(1,169)</u> |
| Net increase in cash and cash equivalents | | 72,343 | 44,505 |
| Cash and cash equivalents at beginning of year | (8) | 297,677 | 253,172 |
| | | <u>370,020</u> | <u>297,677</u> |
| Cash and cash equivalents at end of the year representing cash at bank and in hand | (8) | <u>370,020</u> | <u>297,677</u> |

**THE ASSOCIATION OF DUTCH BUSINESS PEOPLE
- DUTCH CHAMBER OF COMMERCE (SINGAPORE)**

**NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2021**

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

1. GENERAL

The Association of Dutch Business People - Dutch Chamber of Commerce (Singapore) also referred to as “ADB-DutchCham” is registered in Singapore on 21 May 2008. The address of its registered office is:

541 Orchard Road, #13-01 Liat Towers, Singapore 238881

The Dutch Chamber of Commerce in Singapore, an organisation that connects the Dutch Business Community in Singapore. The ADB-DutchCham is a platform for members to share and showcase their knowledge, skills, values and expertise through a large variety of business and social activities. Their mission is to inform, connect and inspire professionals and companies in Singapore with a shared interest in Dutch businesses.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial statements are prepared in accordance with the provisions of the Singapore Financial Reporting Standards (FRS).

In the current financial year, the ADB-DutchCham has adopted all the new and revised FRS and interpretations of FRS that are relevant to its operations. The adoption of these new or revised FRS did not result in significant changes to the ADB-DutchCham’s accounting policies.

The financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The ADB-DutchCham makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition seldom equal the related actual results. The estimate and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(i) Provision for expected credit losses (ECL) of membership fee receivables

The ADB-DutchCham uses a provision matrix to calculate ECLs for membership fee receivables. The provision rates are based on days past due for groupings of various member segments that have similar loss patterns.

The provision matrix is initially based on the ADB-DutchCham's historical observed default rates. The ADB-DutchCham 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 ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The ADB-DutchCham's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the ADB-DutchCham's membership fee receivables is disclosed in Note 5.

The carrying amount of the ADB-DutchCham's membership fee receivables as at 31 December 2021 was S\$116,999 (2020: S\$118,289).

(b) Functional currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The financial statements are presented in Singapore dollar, which is the ADB-DutchCham's functional and presentation currency.

(c) Revenue recognition

Revenue is recognised when the ADB-DutchCham satisfies a performance obligation by transferring a promised service to the customer, which is when the customer obtains control of the 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.

(d) Plant and equipment

Plant and equipment are stated at cost less accumulated depreciation and any impairment losses. The cost of an asset comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use. Expenditure for additions, improvements and renewals are capitalised and expenditure for maintenance and repairs are charged to the profit or loss. When assets are sold or retired, their cost and accumulated depreciation are removed from the accounts and any gain or loss resulting from their disposal is included in the profit or loss. Any amount in revaluation reserve relating to assets sold or retired is transferred to retained earnings directly.

Depreciation is calculated on the straight line method to write off the depreciable amount of the plant and equipment over their estimated useful lives as follows:

| | | |
|----------------------|---|---------|
| Computer | - | 1 year |
| Furniture & fittings | - | 3 years |

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

The carrying amounts of plant and equipment are reviewed at each financial position date to determine whether there is any indication of impairment. If any such indication exists, the recoverable amounts would be estimated. If carrying values exceed their recoverable amounts, this results in assets impairment and accordingly, assets are written down and impairment loss is charged to profit or loss.

(e) Financial instruments

Financial assets

• Initial recognition and measurement

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

At initial recognition, the ADB-DutchCham measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit or loss.

• Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the ADB-DutchCham'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:

(i) 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 the statement of profit or loss when the assets are de-recognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income (FVOCI)

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in the statement of profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to the statement of profit or loss as a reclassification adjustment when the financial asset is de-recognised.

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit or loss in the period in which it arises.

The ADB-DutchCham only has debt instruments at amortised cost.

- De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in the statement of profit or loss.

Financial liabilities

- Initial recognition and measurement

Financial liabilities are recognised when, and only when, the ADB-DutchCham becomes a party to the contractual provisions of the financial instrument. The ADB-DutchCham 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 fair value through profit or loss, directly attributable transaction costs.

- Subsequent measurement

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised costs using the effective interest method. Gains and losses are recognised in the statement of profit or loss when the liabilities are de-recognised, and through the amortisation process.

- De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in the statement of profit or loss.

(f) Impairment of financial assets

The ADB-DutchCham recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the ADB-DutchCham 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 and contract assets, the ADB-DutchCham applies a simplified approach in calculating ECLs. Therefore, the ADB-DutchCham does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each financial position date. The ADB-DutchCham 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.

For debt instruments at fair value through OCI, the ADB-DutchCham applies the low credit risk simplification. At every financial position date, the ADB-DutchCham evaluates whether the debt instrument is considered to have low credit risk using all reasonable and supportable information that is available without undue cost or effort. In making that evaluation, the ADB-DutchCham reassesses the internal credit rating of the debt instrument. In addition, the ADB-DutchCham considers that there has been a significant increase in credit risk when the contractual payments are more than 30 days past due.

The ADB-DutchCham considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the ADB-DutchCham may also consider a financial asset to be in default when internal or external information indicates that the ADB-DutchCham is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the ADB-DutchCham. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(g) Impairment of non-financial assets

The ADB-DutchCham assesses at each financial position date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the ADB-DutchCham makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in the statement of profit or loss, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the statement of profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment losses relating to goodwill cannot be reversed in future periods.

(h) Trade & other payables

Trade and other payables are initially measured at fair value (net of transaction costs), and subsequently measured at amortised cost, using the effective interest method.

(i) Provisions

Provisions are recognised when the ADB-DutchCham has a legal or constructive obligation as a result of past events, that it is probable an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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

(j) Leases

The ADB-DutchCham assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As lessee

Lease payment for contract which does not contain a lease is recognised as expense on a straight line basis over the lease term.

(k) Income tax

Tax expense in the profit or loss comprises current and deferred tax. Income tax is recognised in the profit or loss except to the extent that it relates to items recognised directly to equity, in which case, it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the financial position date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided in full, using the liability method, on temporary differences arising between their carrying amounts and the tax bases of the assets and liabilities in the financial statements. Temporary differences are not recognised on initial recognition of assets or liabilities that affect neither account nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the financial position date.

(l) Employee benefits

(i) Defined contribution plans

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. Contributions to government managed retirement benefit plans such as the Central Provident Fund which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

(ii) Employee leave entitlement

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

(m) Cash and cash equivalents

Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash on hand and in banks and short-term deposits which are held to maturity are carried at cost.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash on hand and deposits in banks.

3. ACCUMULATED FUND

| | 2021 S\$ | 2020 S\$ |
|------------------------------|----------------|----------------|
| Balance at beginning of year | 160,670 | 124,027 |
| Surplus for the year | 43,058 | 36,643 |
| Balance at end of year | <u>203,278</u> | <u>160,670</u> |

4. PLANT & EQUIPMENT

| | Computer S\$ | Furniture & fittings S\$ | Total S\$ |
|-----------------------------------|-----------------|-----------------------------------|---------------|
| Cost : | | | |
| At 1.1.2020 | 14,524 | 1,100 | 15,624 |
| Additions | 1,169 | - | 1,169 |
| At 31.12.2020 | <u>15,693</u> | <u>1,100</u> | <u>16,793</u> |
| At 1.1.2021 & 31.12.2021 | <u>15,693</u> | <u>1,100</u> | <u>16,793</u> |
| Accumulated depreciation : | | | |
| At 1.1.2020 | 11,742 | 1,100 | 12,842 |
| Charge for the year | 3,659 | - | 3,659 |
| At 31.12.2020 | <u>15,401</u> | <u>1,100</u> | <u>16,501</u> |
| At 1.1.2021 | 15,401 | 1,100 | 16,501 |
| Charge for the year | 292 | - | 292 |
| At 31.12.2021 | <u>15,693</u> | <u>1,100</u> | <u>16,793</u> |
| Carrying amount : | | | |
| At 31.12.2020 | <u>292</u> | <u>-</u> | <u>292</u> |
| At 31.12.2021 | <u>-</u> | <u>-</u> | <u>-</u> |

5. MEMBERSHIP FEE RECEIVABLES

| | 2021 S\$ | 2020 S\$ |
|--|----------------|----------------|
| Third parties | 118,537 | 119,069 |
| Less: Allowance for expected credit losses | (1,538) | (780) |
| | <u>116,999</u> | <u>118,289</u> |

Membership fee receivables are non-interest bearing and generally on 14 days' terms.

At the financial position date, the carrying amounts of membership fee receivables approximated their fair values.

Membership fee receivables that are neither past due nor impaired are substantially companies with good collection trade records with the ADB-DutchCham.

Expected credit losses

The movement in allowance for expected credit losses of membership fee receivables computed based on lifetime ECL is as follows:

| | 2021 S\$ | 2020 S\$ |
|----------------------|--------------|-------------|
| At beginning of year | 780 | 6,122 |
| Charge for the year | 1,538 | 780 |
| Written back | (780) | (6,122) |
| At end of year | <u>1,538</u> | <u>780</u> |

6. OTHER RECEIVABLES

| | 2021 S\$ | 2020 S\$ |
|-------------|-------------|--------------|
| Prepayments | <u>-</u> | <u>1,500</u> |

At the financial position date, the carrying amounts of other receivables approximated their fair values.

7. OTHER PAYABLES

| | 2021 S\$ | 2020 S\$ |
|----------|---------------|---------------|
| Accruals | <u>12,871</u> | <u>23,459</u> |

At the financial position date, the carrying amounts of other payables approximated their fair values.

8. CASH AND CASH EQUIVALENTS

Cash and cash equivalents included in the statement of cash flows comprise the following statement of financial position amounts:

| | 2021 S\$ | 2020 S\$ |
|--------------|----------------|----------------|
| Cash at bank | 368,663 | 292,823 |
| Paypal | 1,357 | 4,854 |
| | <u>370,020</u> | <u>297,677</u> |

9. REVENUE

Revenue represents considerations which ADB-DutchCham entitled to upon satisfied its performance obligations by transferring the promised services to the members.

Revenue from other services is recognised upon the execution of the services rendered.

| | 2021 S\$ | 2020 S\$ |
|-------------------------------|----------------|----------------|
| Timing of revenue recognition | | |
| At a point in time | 25,353 | 23,217 |
| Over time | 223,810 | 232,234 |
| | <u>249,163</u> | <u>255,451</u> |

10. INCOME TAX

| | 2021 S\$ | 2020 S\$ |
|-----------------------------|--------------|--------------|
| Current year | 3,655 | 2,913 |
| Prior year's underprovision | 339 | 47 |
| | <u>3,994</u> | <u>2,960</u> |

The income tax expense varied from the amount of income tax expense determined by applying the standard corporate tax rate of 17% (2020: 17%) to surplus before income tax as a result of the following difference:

| | S\$ | S\$ |
|------------------------------------|--------------|--------------|
| Income tax at statutory rate | 7,999 | 6,732 |
| <u>Tax effect of:</u> | | |
| - Non-allowable items | 50 | 2,198 |
| - Tax exemption & other deductions | (4,449) | (6,017) |
| Rounding difference | 55 | - |
| | <u>3,655</u> | <u>2,913</u> |

11. LEASES

ADB-DutchCham as a lessee

The ADB-DutchCham has certain contract of office space whereby the contract does not contain a lease.

(a) Amounts recognised in the statement of profit or loss

| | 2021 S\$ | 2020 S\$ |
|--|--------------|--------------|
| Lease expense not capitalised in lease liabilities: | | |
| - Expense relating to leases outside the scope of FRS 116 | 9,001 | 8,999 |
| Total amount recognised in the statement of profit or loss | <u>9,001</u> | <u>8,999</u> |

12. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

(a) Fair value hierarchy

The ADB-DutchCham categorises fair value measurement using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the ADB-DutchCham can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) Assets and liabilities that are not carried at fair value and whole carrying amounts are reasonable approximate of fair values:

| | 2021 S\$ | 2020 S\$ |
|----------------------------|-------------|-------------|
| Membership fee receivables | 116,999 | 118,289 |
| Cash and cash equivalents | 370,020 | 297,677 |
| Other payables | 12,871 | 23,459 |

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities (if any) are disclosed in the respective notes to financial statement.

13. FINANCIAL RISKS AND CAPITAL RISK MANAGEMENT

(a) Financial risk management policies and objectives

The ADB-DutchCham does not have written risk management policies and guidelines.

The ADB-DutchCham does not hold or issue derivative financial instruments.

(i) Credit risk

The ADB-DutchCham has no significant concentrations of credit risk.

The ADB-DutchCham places its cash with creditworthy financial institutions.

The carrying amounts of trade and other receivables, and cash represent the ADB-DutchCham's maximum exposure to credit risk.

The ADB-DutchCham manages its credit risk in trade receivables through its credit evaluation process, credit policies and credit control and debt collection procedures.

(ii) Interest rate risk

The ADB-DutchCham is not exposed to interest rate risk as it has no bank borrowings.

(iii) Foreign currency risk

The ADB-DutchCham is not exposed to foreign currency risk as all its transactions are denominated in Singapore dollar.

(iv) Liquidity risk

The ADB-DutchCham monitors and maintains a level of cash and bank balances deemed adequate by the management to finance its ongoing working capital requirements. When necessary, the ADB-DutchCham relies on its members for source of liquidity. The ADB-DutchCham's financial liabilities are all mature within one year.

(b) Capital risk management

The ADB-DutchCham's objectives when managing capital are to safeguard the ADB-DutchCham's ability to continue as a going concern in order to provide returns for members and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital.

There were no changes in the ADB-DutchCham's approach to capital risk management during the financial year.

14. FRS NOT YET ADOPTED

The ADB-DutchCham has not applied the following standards and interpretations that have been issued but not yet effective:

| | Effective date (Annual periods <u>beginning on or after</u>) |
|--|---|
| • Amendments to FRS 103: Reference to the Conceptual Framework | 1 January 2022 |
| • Amendments to FRS 16: Property, Plant and Equipment – Proceeds before intended use | 1 January 2022 |
| • Amendments to FRS 1: Classification of Liabilities as Current or Non-current | 1 January 2023 |
| • Various | |
| – Amendments to FRS 117 | 1 January 2023 |
| – Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies | 1 January 2023 |
| • Amendments to FRS 8: Definition of Accounting Estimates | 1 January 2023 |
| • Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction | 1 January 2023 |

The initial application of these standards, amendments and interpretations are not expected to have any material impact on the ADB-DutchCham's financial statements.