INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)
(Registration No.: S69SS0017L)

AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT BY THE EXECUTIVE COUNCIL
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INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT BY THE EXECUTIVE COUNCIL

We are pleased to present this statement to the members of Insurance and Financial Practitioners Association of Singapore (the "Association") together with the audited financial statements for the financial year ended 31 December 2018.

In our opinion,

(a) the financial statements are drawn up so as to give a true and fair view of the financial position of the Association as at 31 December 2018 and the financial performance, changes in accumulated fund and cash flows of the Association for the financial year then ended; 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.

The Executive Council has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Executive Council

SIGNED BY: LEONG SOW HOE, 28 Feb 2019

Leong Sow Hoe
President

SIGNED BY: NG ENG BEOW, 28 Feb 2019

Ng Eng Beow
Honorary Treasurer

Singapore

28 FEB 2019

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Insurance and Financial Practitioners Association of Singapore (the "Association"), which comprise the statement of financial position as at 31 December 2018, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Association as at 31 December 2018 and of the financial performance, changes in equity and cash flows of the Association for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

Management is responsible for the other information. The other information comprises the Executive Council (set out on page 1), but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE

Report on the Audit of the Financial Statements

Responsibilities of Executive Committee and Those Charged with Governance for the Financial Statements

The Committee is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The President's responsibilities include overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE**

Report on the Audit of the Financial Statements

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Association have been properly kept in accordance with the provisions of the Act.

SINGAPORE ASSURANCE PAC
Public Accountants and
Chartered Accountants

Singapore
28 February 2019

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2018

	Note	2018 S$	2017 S$
ASSETS			
Non-current assets			
Property, plant and equipment	(4)	224,758	235,100
Investment properties	(5)	4,337,095	-
Held-to-maturity financial assets	(6)	752,342	759,120
		5,314,195	994,220
Current assets			
Trade receivables	(7)	8,589	115,535
Other receivables	(8)	426,099	45,393
Fixed deposits	(9)	-	5,482,617
Cash and bank balances	(10)	1,749,270	787,654
		2,183,958	6,431,199
Total assets		7,498,153	7,425,419
FUND AND LIABILITIES			
Reserves and Accumulated fund			
Accumulated fund		7,360,885	7,014,045
Current liabilities			
Trade and other payables	(11)	73,932	411,374
Provision for taxation		63,336	-
		137,268	411,374
Total fund and liabilities		7,498,153	7,425,419

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

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$	2017 S$
Revenue			
Subscription fee		360,025	200,670
Revenue from congress, seminars, courses & functions	(12)	786,252	965,479
Interest income		75,423	77,832
Government grants		9,565	8,504
Other income		8,081	10,736
Rental income		28,597	-
		1,267,943	1,263,221
Less: Expenses for congress, seminars, courses and functions	(12)	183,144	423,474
Less: Other Operating Expenditure			
Advertisement and promotion		5,203	28,234
Annual general meeting and extraordinary general meeting		1,863	1,460
Audit fee		5,608	4,635
Bad debt		6,258	-
Bank charges		179	156
Computer expense and software		2,562	-
Contributions to defined contribution plans		35,336	39,939
Depreciation of property, plant and equipment	(4)	40,453	37,180
Depreciation of investment properties	(5)	14,505	-
Donation and sponsorship		7,000	69,549
Foreign Worker Levy		6,190	5,560
General expenses		7,674	8,705
IFPAS All-Star Awards		29,507	22,815
IFPAS Community Day		5,780	9,653
Insurance		9,106	11,312
Maintenance fees of Parklane property		9,779	7,488
Medishield life project		-	6,395
Meeting expenses		17,993	21,924
Postage		5,904	1,569
Printing and stationery		18,878	19,060
Professional fee		5,200	4,420
Property tax		4,715	3,310
Publications		-	14,650
Salaries		266,239	303,736
Skills development fund contributions		621	714
Staff welfare		613	301
Stamp duty		125,148	-
Star alliance engagement		2,000	1,459
Subscription		9,500	5,468
Telephone		4,098	4,027
Balance carried forward		647,912	633,719

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Note	2018 S$	2017 S$
Less: Other Operating Expenditure (cont'd)			
Balance brought forward		647,912	633,719
Training expenses		1,095	4,966
Transportation		4,243	6,841
Travelling expenses		14,759	10,941
Utilities		1,903	2,022
Website/internet		4,711	5,386
		674,623	663,875
Surplus before income tax		410,176	175,872
Income tax	(13)	(63,336)	-
Surplus for the financial year		346,840	175,872
Other comprehensive income, net of tax		-	-
Total comprehensive income for the financial year		346,840	175,872

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

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT OF CHANGES IN ACCUMULATED FUND
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Accumulated fund S$
Balance at 1 January 2017	6,838,173
Surplus for the financial year	175,872
Balance at 31 December 2017	7,014,045
Surplus for the financial year	346,840
Balance at 31 December 2018	7,360,885

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

INSURANCE AND FINANCIAL PRACTITIONERS ASSOCIATION OF SINGAPORE
(Incorporated in the Republic of Singapore)

STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

	2018 S$	2017 S$
Cash flows from operating activities		
Surplus before income tax	410,176	175,872
Adjustments for:		
Depreciation of property, plant and equipment	40,453	37,180
Depreciation of investment properties	14,505	-
Interest income	(75,423)	(77,832)
Operating surplus before changes in working capital	389,711	135,220
Changes in working capital:		
Trade and other receivables	19,170	(3,424)
Trade and other payables	(337,442)	201,933
Cash from operations	71,439	333,729
Interest received	75,423	77,832
Tax paid	-	(21,401)
Net cash from operating activities	146,862	390,160
Cash flows from investing activities		
Other receivables	(292,930)	-
Acquisition of property, plant and equipment	(30,111)	(41,492)
Acquisition of investment properties	(4,351,600)	-
Amortisation of held-to-maturity financial assets	6,778	11,352
Held-to-maturity financial assets	-	250,584
Net cash (used in)/from investing activities	(4,867,863)	220,444
Net (decrease)/increase in cash and cash equivalents	(4,521,001)	610,604
Cash and cash equivalents at the beginning of the financial year	6,270,271	5,659,667
Cash and cash equivalents at the end of the financial year	1,749,270	6,270,271
Cash and cash equivalents at end of the financial year comprise:		
Fixed deposits (Note 9)	-	5,482,617
Cash and bank balances (Note 10)	1,749,270	787,654
	1,749,270	6,270,271

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

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

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

The financial statements were authorised for issue by the Executive Council on the date of the Statement by the Executive Council.

1. CORPORATE INFORMATION

The Association is registered and domiciled in the Republic of Singapore.

The address of its registered office and principal place of business of the Association is 35 Selegie Road, #10-01 Parklane Shopping Mall, Singapore 188307.

The principal activities of the Association are as follows:

(1) To provide a central organisation for insurance and financial practitioners involved in the promotion and distribution of insurance and financial products and services.

(2) To promote ethical and professional practices of practitioners engaged in the insurance and financial services profession.

(3) To promote continuous professional and educational development of practitioners engaged in the insurance and financial services profession.

(4) To promote and safeguard the common interests of the members of the Association and the public.

2. BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

2.2 Basis of measurement

The financial statements have been prepared on a going concern basis under the historical cost convention.

2.3 Functional and presentation currency

The financial statements are presented in Singapore Dollar (S$), which is the Association's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments

The preparation of the Association's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(i) Judgments made in applying accounting policies

Determination of functional currency
In determining the functional currency of the Association, judgment is used by the Association to determine the currency of the primary economic environment in which the Association operates. Consideration factors include the currency that (i) mainly influences sales prices for goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services; (ii) funds from financing activities are generated; and (iii) receipts from operating activities are usually retained.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

Useful lives of property, plant and equipment
The useful life of an item of property, plant and equipment is estimated at the time the asset is acquired and is based on historical experience with similar assets and takes into account anticipated technological or other changes. If changes occur more rapidly than anticipated or the asset experiences unexpected level of wear and tear, the useful life will be adjusted accordingly.

The carrying amount of the Association's property, plant and equipment as at 31 December 2018 is disclosed in Note 4 to the financial statements.

Impairment of loans and receivables
The impairment of trade and other receivables is based on the ageing analysis and management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

2. BASIS OF PREPARATION (CONT'D)

2.4 Use of estimates and judgments (cont'd)

(ii) Key sources of estimation uncertainty (cont'd)

Impairment of loans and receivables (cont'd)
The carrying amounts of the Association's trade and other receivables as at 31 December 2018 are disclosed in Notes 7 and 8 to the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

3.1 Financial instruments

(i) Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Association becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(ii) Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Association changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

Financial assets at amortised cost
A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets (cont'd)

Debt investments at FVOCI
A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Equity investments at FVOCI
On initial recognition of an equity investment that is not held-for-trading, the Association may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income (OCI). This election is made on an investment-by-investment basis.

Financial assets at FVTPL
All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. On initial recognition, the Association may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Association makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Association's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Classification and subsequent measurement (cont'd)

Financial assets: Business model assessment (cont'd)

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Association's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Association considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Association considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Association's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Classification and subsequent measurement (cont'd)

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL
These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

Financial assets at amortised cost
These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Debt investments at FVOCI
These assets are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognised in profit or loss. Other net gains and losses are recognised in OCI. On derecognition, gains and losses accumulated in OCI are reclassified to profit or loss.

Equity investments at FVOCI
These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are never reclassified to profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

Other financial liabilities are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. These financial liabilities comprised trade and other payables.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(iii) Derecognition

Financial assets

The Association derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Association neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Association enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognised.

The Association derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Association also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Association currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

(v) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Association in the management of its short-term commitments. For the purpose of the statement of cash flows, bank overdrafts that are repayable on demand and that form an integral part of the Association's cash management are included in cash and cash equivalents.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment

(i) Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset.

When parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

The gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

(ii) Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Association, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of the asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over their estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another assets. Leased assets are depreciated over the shortest of the lease term and their useful lives unless it is reasonably certain that the Association will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.2 Property, plant and equipment (cont'd)

(iii) Depreciation (cont'd)

The estimated useful lives for the current and comparative years are as follows:

Leasehold property	50 years
Office equipment	8 years
Renovation	10 years
Furniture and fittings	10 years
Computer equipment	5 years
Library books	3 years

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

(iv) Reclassification to investment property

When the use of a property changes from owner-occupied to investment property, the property is remeasured to fair value and reclassified accordingly. Any gain arising on remeasurement is recognised in profit or loss to the extent that it reverses a previous impairment loss on the specific property, with any remaining gain recognised in OCI and presented in the revaluation reserve in equity. Any loss is recognised immediately in profit or loss. When the property is sold, the related amount in the revaluation reserve is transferred to retained earnings.

3.3 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost less accumulated depreciation and impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Depreciation of investment property is calculated on the straight-line basis to write off the cost less residual value of the assets over their estimated useful lives as follows:

Leasehold property	50 years

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.3 Investment property (cont'd)

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

3.4 Impairment

(i) Non-derivative financial assets and contract assets

The Association recognises loss allowances for expected credit losses (ECLs) on:
- financial assets measured at amortised costs;
- debt investments measured at FVOCI;
- contract assets (as defined in FRS115); and
- intra-group financial guarantee contracts (FGC).

Loss allowances of the Association are measured on either of the following bases:
- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or
- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset

Simplified approach
The Association applies the simplified approach to provide for ECLs for all trade receivables and contract assets. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach
The Association applies the general approach to provide for ECLs on all other financial instruments and FGCs. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Association assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Association considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Association's historical experience and informed credit assessment and includes forward-looking information.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

General approach (cont'd)
If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Association considers a financial asset to be in default when:
- the borrower is unlikely to pay its credit obligations to the Association in full, without recourse by the Association to actions such as realising security (if any is held); or
- the financial asset is more than 90 days past due.

The Association considers a contract asset to be in default when the customer is unlikely to pay its contractual obligations to the Association in full, without recourse by the Association to actions such as realising security (if any is held).

The Association considers a FGC to be in default when the debtor of the loan is unlikely to pay its credit obligations to the creditor and the Association in full, without recourse by the Association to actions such as realising security (if any is held). The Association only applies a discount rate if, and to the extent that, the risks are not taken into account by adjusting the expected cash shortfalls.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Association is exposed to credit risk.

Measurement of ECLs
ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Association expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets
At each reporting date, the Association assesses whether financial assets carried at amortised cost and debt investments at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:
- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the restructuring of a loan or advance by the Association on terms that the Association would not consider otherwise;

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.4 Impairment (cont'd)

(i) Non-derivative financial assets and contract assets (cont'd)

Credit-impaired financial assets (cont'd)

- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position
Loss allowances for financial assets measured at amortised cost and contract assets are deducted from the gross carrying amount of these assets.

For debt investments at FVOCI, loss allowances are charged to profit or loss and recognised in OCI.

Loss allowances for FGC are recognised as a financial liability to the extent that they exceed the initial carrying amount of the FGC less the cumulated income recognised.

Write-off
The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Association determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Association's procedures for recovery of amounts due.

(ii) Non-financial assets

The carrying amounts of the Association's non-financial assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit (CGU) exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. 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 or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(ii) Non-financial assets (cont'd)

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Employee benefits

(i) Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus or profit sharing plans if the Association has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

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 reporting date.

3.6 Provisions

A provision is recognised if, as a result of a past event, the Association has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.7 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Association and the revenue can be reliably measured regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties.

i) Subscription income is recognised upon receipt. Revenue from congress and conferences are recognised upon commencement of the respective events.
ii) Tuition fees and related instructor costs are recognised over the period of instruction.
iii) Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effect interest rates applicable.
iv) Rental income from investment property is recognised in profit or loss on a straight-line basis over the term of the lease. Lease incentives granted are recognised as an integral part of the total rental income, over the term of the lease. Rental income from subleased property is recognised as 'other income'.

3.8 Government grants

An unconditional government grants, related to a biological asset is recognised in profit or loss as 'other income' when the grant becomes receivables.

Government grants shall be recognised in profit or loss on a systematic basis over the periods in which the entity recognises as expenses the related costs for which the grants are intended to compensate. Grants related to income may be presented as a credit in profit or loss, either separately or under a general heading such as 'other income'. Alternatively, they are deducted in reporting the related expenses.

3.9 Finance income and finance costs

Finance costs comprise interest expense on borrowings recognised in profit or loss. Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

3.10 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the financial year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.10 Income tax (cont'd)

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for; temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss to the extent that it is probable that they will not reverse in the foreseeable future.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

A deferred tax asset is recognised for unused tax losses, tax credits and deductible temporary differences, to the extent that it is probable that future taxable profits will be available against which they can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

Unrecognised deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

In determining the amount of current and deferred tax, the Association takes into account the impact of uncertain tax positions and whether additional taxes and interest may be due. The Association believes that its accruals for tax liabilities are adequate for all open tax years based on its assessment of many factors, including interpretations of tax law and prior experience. This assessment relies on estimates and assumptions and may involve a series of judgments about future events. New information may become available that causes the Association to change its judgment regarding the adequacy of existing tax liabilities; such changes to tax liabilities will impact tax expense in the period that such a determination is made.

3.11 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Association has adopted all the new and revised standards which are relevant to the Association and are effective for annual financial periods beginning on or after 1 January 2018. The adoption of these standards did not have any material effect on the financial statements.

3. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

3.12 New standards and interpretations not adopted

A number of new standards, amendments to standards and interpretations are issued but effective for annual periods beginning after 1 January 2018, and have not been applied in preparing these financial statements. The Association does not plan to early adopt these standards. The Association is currently assessing the potential impact of adopting these standards and interpretations, on the financial statements of the Association. None of these are expected to have a significant effect on the financial statements of the Association, except for FRS 116. The nature of the impending changes in accounting policy on adoption of FRS 116 is described below.

FRS 116 Leases effective for annual periods beginning on or after 1 January 2019 replaces FRS 17 and its interpretations. Almost all leases will be brought onto lessees' statements of financial position under a single model (except leases of less than 12 months and leases of low value assets). Lessor accounting, however, remains largely unchanged and the distinction between operating and finance leases is retained. The management anticipates that FRS 116 will be adopted in the financial statements when it becomes mandatory and that the application of the new standard will have a significant effect on amounts reported in respect of the leases.

However, it is not practicable to provide a reasonable estimate of that effect until a detailed review has been completed.

4. PROPERTY, PLANT AND EQUIPMENT

	Computer equipment S$	Furniture and fittings S$	Leasehold property S$	Library books S$	Office equipment S$	Renovation S$	Total S$
Cost							
Balance at 1/1/2017	160,824	2,613	247,796	9,912	16,564	93,890	531,599
Additions	34,400	-	-	-	92	7,000	41,492
Balance at 31/12/2017	195,224	2,613	247,796	9,912	16,656	100,890	573,091
Additions	29,560	-	-	-	551	-	30,111
Balance at 31/12/2018	224,784	2,613	247,796	9,912	17,207	100,890	603,202
Accumulated Depreciation							
Balance at 1/1/2017	113,066	613	138,756	9,912	14,059	24,405	300,811
Depreciation	21,013	261	4,961	-	1,119	9,826	37,180
Balance at 31/12/2017	134,079	874	143,717	9,912	15,178	34,231	337,991
Depreciation	25,401	255	4,961	-	(48)	9,884	40,453
Balance at 31/12/2018	159,480	1,129	148,678	9,912	15,130	44,115	378,444
Net Carrying Amount							
Balance at 31/12/2017	61,145	1,739	104,079	-	1,478	66,659	235,100
Balance at 31/12/2018	65,304	1,484	99,118	-	2,077	56,775	224,758

5. INVESTMENT PROPERTIES

	Leasehold property S$
Cost	
Balance at 1/1/2017 and 31/12/2017	-
Additions	4,351,600
Balance at 31/12/2018	4,351,600
Accumulated Depreciation	
Balance at 1/1/2017 and 31/12/2017	-
Depreciation	14,505
Balance at 31/12/2018	14,505
Net Carrying Amount	
Balance at 31/12/2017	-
Balance at 31/12/2018	4,337,095
Fair Value Amount	
Balance at 31/12/2017	-
Balance at 31/12/2018	4,349,576

Fair value hierarchy
The fair value of the investment properties has been estimated by the management based on most recent transacted price of the properties.

6. HELD-TO-MATURITY FINANCIAL ASSETS

	2018 S$	2017 S$
Debt securities, at amortised cost		
Balance at beginning of the financial year	759,120	1,021,056
Matured during the financial year	-	(250,584)
Amortisation of held-to-maturity financial assets	(6,778)	(11,352)
Balance at end of the financial year	752,342	759,120

Debts securities classified as held-to-maturity investments of the Association bears interest of 3.94% to 4.30% (2017: 4.2% to 4.95%) and mature between 1 to 2 years.

7. TRADE RECEIVABLES

	2018 S$	2017 S$
Trade receivables	8,589	115,535

Trade receivables amounting to S$8,562 (2017: S$114,572) are past due at the end of the reporting period but not impaired. These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows:

	2018 S$	2017 S$
Not past due and not impaired	27	963
Past due but not impaired		
- 61 to 90 days	28	107,000
- More than 90 days	8,534	7,572
	8,562	114,572
	8,589	115,535

8. OTHER RECEIVABLES

	2018 S$	2017 S$
Deposits	61,329	280
Prepayments	17,799	5,771
Interest receivables	10,021	36,207
Other receivables	44,020	3,135
Good and service tax receivables	292,930	-
	426,099	45,393

9. FIXED DEPOSITS

Fixed deposits are placed with the financial institutions and mature within 6 months (2017: 6 to 12 months). The effective interest ranged between 1.25% (2017: 1.15% to 1.37%) per annum.

10. CASH AND BANK BALANCES

	2018	2017
	S$	S$
Cash at bank	1,748,206	786,046
Cash on hand	1,064	1,608
	1,749,270	787,654

11. TRADE AND OTHER PAYABLES

	2018	2017
	S$	S$
Trade payables	2,359	10,301
Other payables	71,573	30,844
Accruals	-	843
Deferred revenue	-	363,725
Goods and services tax payable	-	5,661
	73,932	411,374

12. SURPLUS FROM CONGRESS, SEMINARS, COURSES AND FUNCTIONS

	2018	2017
	S$	S$
Chartered Financial Consultant courses	232,365	348,886
Designation fee	8,878	7,515
Partnership	360,000	175,000
Workshops	1,865	10,604
Surplus	603,108	542,005

13. INCOME TAX

	2018	2017
	S$	S$
Tax expense attributable to surplus is made up of:		
- Current income tax	63,336	-

13. INCOME TAX (CONT'D)

The tax expense on surplus differs from the amount that would arise using the Singapore standard rate of income tax as follows:

	2018 S$	2017 S$
Surplus before income tax	410,176	175,872
Tax calculated at a tax rate of 17% (2017: 17%)	69,730	29,898
Effects of:		
- Expenses not deductible for tax purposes	26,046	10,683
- Tax exemption	(26,988)	(21,250)
- Changes in unrecognised temporary differences	(5,452)	746
- Tax incentives	-	(20,077)
	63,336	-

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

In 2018 the Association puts forward with a risk management policies and guidelines, which set out its overall business strategies, its tolerance for risk and its general risk management philosophy. These policies and guidelines were approved by the board in January 2019. Prior to that, the Association has established informal processes to monitor and control such risks on a timely and accurate manner. Such policies are monitored and undertaken by the Executive Council.

Risk management is integral to the whole business of the Association. The Executive Council continually monitors the Association's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Association's activities.

No derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Association does not apply hedge accounting.

The key financial risks include credit risk and liquidity risk. The following provide details regarding the Association's exposure to the risks and the objectives, policies and processes for the management of these risks.

14.1 Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Association minimise credit risk by dealing with high credit rating counterparties.

14. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D)

14.1 Credit risk (cont'd)

The Association's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Association trades with recognised and creditworthy third parties. Receivable balances are monitored on an ongoing basis with the objective of reducing the Association's exposure to bad debts to an insignificant level.

At reporting date, the carrying amounts of trade and other receivables and cash and cash equivalents represent the Association's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk. There was no significant concentration of credit risk.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due and/or impaired except for trade receivables (Note 7).

14.2 Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds.

To manage liquidity risk, the Association monitors its net operating cash flows and maintains an adequate level of cash and cash equivalents and funding facilities from the bank. In assessing the funding facilities, the management reviews its working capital requirements regularly.

The contractual undiscounted cash flows of trade and other payables are equivalent to their carrying amounts and are repayable within one year.

15. FINANCIAL INSTRUMENTS

Fair value
The fair value of financial assets and liabilities is at the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in forced or liquidation sale.

Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are reasonable approximation of fair value

The carrying amounts of held-to-maturity financial assets, trade and other receivables, cash and cash equivalents and trade and other payables are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the reporting date.

15. FINANCIAL INSTRUMENTS (CONT'D)

Financial instruments by category
The carrying amounts of financial instruments in each of the following categories are as follows:

	2018 S$	2017 S$
Held-to-maturity financial assets	752,342	759,120
Loan and receivables:		
- Trade receivables	8,589	115,535
- Other receivables	408,300	39,622
- Fixed deposits	-	5,482,617
- Cash and bank balances	1,749,270	787,654
	2,105,110	6,425,428
Financial liabilities measured at amortised cost:		
- Trade and other payables	73,932	411,374

16. FAIR VALUE HIERARCHY

The Association categories fair value measurements using a fair value hierarchy of fair value measurements by level of the following fair value measurement hierarchy:

Level 1 - Quoted prices (unadjusted) in active market for identical assets or liabilities that the Association can access at the measurement date,

Level 2 - Inputs other that 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.

16. FAIR VALUE HIERARCHY (CONT'D)

	Fair value measurements at the end of the reporting period using			
	Quoted prices in active markets for identical instruments (Level 1)	Significant observable inputs other quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
2018				
Held-to-maturity financial assets	752,342	-	-	752,342
2017				
Held-to-maturity financial assets	759,120	-	-	759,120

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

16. CAPITAL MANAGEMENT

The Association's objectives when managing capital are to ensure that the Association is adequately capitalised and to maintain an optimal capital structure by issuing or redeeming additional equity and debt instruments when necessary.

Capital is defined as accumulated fund.

The Association is not subject to any externally imposed capital requirements.

The Association's strategy remains consistent with last financial year.