

**ASIA-PACIFIC BIOSAFETY ASSOCIATION
(UEN: T05SS0051K)**

**AUDITED FINANCIAL STATEMENTS AND
OTHER FINANCIAL INFORMATION
FOR THE YEAR ENDED 31 DECEMBER 2019**

 **KELVIN WONG & CO**
Chartered Accountants

ASIA-PACIFIC BIOSAFETY ASSOCIATION

**STATEMENT BY THE MANAGEMENT COMMITTEE
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019**

In the opinion of the management committee, the accompanying financial statements together with the notes thereto are drawn up in accordance with the provisions of the Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the Society as at 31 December 2019 and of the results, changes in accumulated funds and cash flows of the Society for the year ended on that date.

On behalf of the Management Committee,


VIJI VIJAYAN
Vice President


CHUA TECK MEAN
Treasurer

Singapore, 25 JUN 2020

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ASIA-PACIFIC BIOSAFETY ASSOCIATION**

We have audited the accompanying financial statements of Asia-Pacific Biosafety Association (the "Association"), which comprise the statement of financial position as at 31 December 2019, and the income and expenditure statement, statement of changes in accumulated funds and cash flow of the Association 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 (the Act), Chapter 311 and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2019 and of the results, changes in equity and cash flows of the Association for the year ended on that date.

Basis for Opinion

We have 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 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 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.

Management Committee's Responsibility for the Financial Statements and Statement by Management Committee

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

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

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ASIA-PACIFIC BIOSAFETY ASSOCIATION***Auditor's Responsibility 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 misstatements, 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 misstatements 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 misstatements of the financial statements, whether due to fraud or error, design and perform audit procedure 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 misstatements resulting from fraud is higher than for one resulting from error as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of Management Committee's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF
ASIA-PACIFIC BIOSAFETY ASSOCIATION****Report on Other Legal and Regulatory Requirements**

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



KELVIN WONG & CO
Public Accountants and
Chartered Accountants

Singapore, 25 June 2020

ASIA-PACIFIC BIOSAFETY ASSOCIATION

STATEMENT OF FINANCIAL POSITION

As at 31 December 2019

	Note	2019 S\$	2018 S\$
ASSETS			
Non-current assets			
Plant and equipment	3	<u>478</u>	<u>46</u>
Current assets			
Trade receivables	4	83,125	83,692
Prepayment		75	-
Cash and cash equivalents	5	<u>514,135</u>	<u>569,243</u>
Total current assets		<u>597,335</u>	<u>652,935</u>
Total assets		<u>597,813</u>	<u>652,981</u>
FUNDS AND LIABILITIES			
Funds			
Accumulated funds		<u>581,491</u>	<u>631,075</u>
Current liabilities			
Trade payables		-	18,006
Accruals		<u>16,322</u>	<u>3,900</u>
Total current liabilities		<u>16,322</u>	<u>21,906</u>
Total funds and liabilities		<u>597,813</u>	<u>652,981</u>

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 31 December 2019

	Note	2019 S\$	2018 S\$
Revenue	6	175,413	182,536
Cost of revenue	7	<u>(169,458)</u>	<u>(90,115)</u>
Gross surplus		5,955	92,421
Expenditure	8	<u>(55,539)</u>	<u>(65,911)</u>
(Deficit)/Surplus before tax		(49,584)	26,510
Taxation	9	<u>-</u>	<u>-</u>
(Deficit)/Surplus after tax		(49,584)	26,510
Transferred to accumulated funds		<u>49,584</u>	<u>(26,510)</u>
		<u>-</u>	<u>-</u>

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

STATEMENT OF CHANGES IN ACCUMULATED FUNDS

For the year ended 31 December 2019

	Accumulated Funds S\$
Balance as at 01.01.2018	604,565
Net surplus and total comprehensive income for the year	<u>26,510</u>
Balance as at 31.12.2018/01.01.2019	631,075
Net deficit and total comprehensive income for the year	<u>(49,584)</u>
Balance as at 31.12.2019	<u>581,491</u>

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

STATEMENT OF CASH FLOWS

For the year ended 31 December 2019

	2019	2018
	S\$	S\$
Cash flows from operating activities		
(Deficit)/Surplus before tax	(49,584)	26,510
Adjustments for:		
Depreciation of plant and equipment	<u>1,001</u>	<u>597</u>
Operating surplus before working fund changes	(48,583)	27,107
Decrease/(Increase) in trade and other receivables	492	(83,692)
(Decrease)/Increase in trade and other payables	<u>(5,584)</u>	<u>21,806</u>
Net cash used in operating activities	<u>(53,675)</u>	<u>(34,779)</u>
Cash flows from investing activities		
Purchase of plant and equipment	<u>(1,433)</u>	<u>-</u>
Net cash used in investing activities	<u>(1,433)</u>	<u>-</u>
Net decrease in cash and cash equivalents	(55,108)	(34,779)
Cash and cash equivalents at beginning of year	<u>569,243</u>	<u>604,022</u>
Cash and cash equivalents at end of year (Note 5)	<u>514,135</u>	<u>569,243</u>

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

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

1. GENERAL

Asia-Pacific Biosafety Association (the “Association”) is a society registered in the Republic of Singapore under the Societies Act, Chapter 311.

The principal activities of the Association are the provision of biosafety trainings, courses, conferences and forum exchanges.

The registered office and principle place of operation is located at 1 Research Link, National University of Singapore, Singapore 117604.

The financial statements of the Association for the year ended 31 December 2019 are authorised for issue in accordance with a resolution of the management committee on 25 June 2020.

The financial statements of the Association are expressed in Singapore dollars.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Association have been prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the Singapore Financial Reporting Standards (“FRS”).

In the current financial year, the Association has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operation and effective for annual period beginning on or after 1 January 2019. The adoption of these new/revised FRSs and INT FRSs has no material effect on the financial statements.

b) Significant Accounting Estimates and Judgements

Estimates, assumption concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Association’s accounting policies, reporting amounts of assets, liabilities, income and expense and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The critical accounting estimates and assumptions used and area involving a high degree of judgement are described below.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Critical assumptions used and accounting estimates in applying accounting policies

Income tax

The Association recognises liabilities for expected tax issues based on estimates of whether additional tax will be due. When the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Useful lives of plant and equipment

As described in Note 2(c), the Association reviews the estimated useful lives of plant and equipment at the end of each annual reporting period. The estimated useful lives reflect the management committee's estimation of the periods that the Association intends to derive future economic benefits from the use of the Association's plant and equipment.

The carrying amount of plant and equipment at the end of the reporting period is disclosed in Note 3 to the financial statements.

Provision for expected credit losses of trade receivables and contract assets

The Association uses a provision matrix to calculate expected credit losses for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Association's historical observed default rates. The Association will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At every reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The amount of expected credit losses is sensitive to changes in circumstances and of forecast economic conditions. The Association'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 expected credit losses on the Association's trade receivables and contract assets is disclosed in Note 11.

Critical judgements made in applying accounting policies

In the process of applying the accounting policies, management committee has made the following judgements, apart from those involving estimations, which have the most significant effect on the amount recognised in the financial statements.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Impairment of plant and equipment

The Association assesses annually whether plant and equipment have any indication of impairment in accordance with the accounting policy. The recoverable amounts of plant and equipment have been determined based on value-in-use calculations. These calculations require the use of judgement and estimates.

c) Plant and Equipment

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

Depreciation is calculated on a straight-line method so as to write off the costs over their estimated useful lives of the property, plant and equipment as follows: -

Computer software	3 years
Office equipment	3 years
Computer	1 year

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

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

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

Fully depreciated property, plant and equipment are still retained in the financial statements until they are no longer in use.

d) Financial Assets

Initial recognition and measurement

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, 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 profit or loss.

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

Subsequent measurement

Investment in debts instruments

Subsequent measurement of debt instruments depends on the Association'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 profit or loss when the assets are derecognised or impaired, and through 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 profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Financial Assets (Continued)

(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 profit or loss in the period in which it arises.

Impairment on financial assets

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss. At each reporting date, the Association assesses whether the credit risk on a financial asset has increased significantly since initial recognition by assessing the change in the risk of a default occurring over the expected life of the financial instrument. Where the financial asset is determined to have low credit risk at the reporting date, the Association assumes that the credit risk on a financial asset has not increased significantly since initial recognition.

The Association uses reasonable and supportable forward-looking information that is available without undue cost or effort as well as past due information when determining whether credit risk has increased significantly since initial recognition.

Where the credit risk on that financial instrument has increased significantly since initial recognition, the Association measures the loss allowance for a financial instrument that has not increased significantly since initial recognition, the Association measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

The Association uses a practical expedient to recognise ECL for trade receivables, which is to measure the loss allowance at an amount equal to lifetime ECL using an allowance matrix derived based on historical credit loss experience adjusted for current conditions and forecasts of future economic conditions.

The amount of ECL or reversal thereof that is required to adjust the loss allowance at the reporting date to the amount that is required to be recognised is recognised in profit or loss.

Derecognition

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

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Cash and Cash Equivalents

Cash and cash equivalents are defined as cash at bank and cash in hand which is readily convertible to known amounts of cash and subjects to insignificant risk of changes in value.

f) Financial Liabilities

Initial recognition and measurement

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

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at 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 cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

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

g) Revenue Recognition

Revenue is measured based on the consideration to which the Association expects to be entitled in exchange for transferring promised services to a member or collaboration partner, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Association satisfies a performance obligation by transferring a promised service to the member or collaboration partner, which is when the member or collaboration partner 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.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

h) Taxation

Income tax on the income and expenditure for the year comprises current and deferred income taxes. Income tax is recognised in the income and expenditure statement except to the extent that it relates to items recognised directly to reserve, in which case it is recognised in reserve.

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

Deferred tax is provided using the balance sheet liability method for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. 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 end of the reporting period.

A deferred tax asset is recognised only to the extent that it is probable that future taxable surplus will be available against which the asset can be utilised. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

i) Provisions

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

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

j) Foreign Currency

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

k) Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association.

l) Key Management Personnel

Key management personnel of the society are those having authority and responsibility for planning, directing and controlling the activities of the society.

The management committee is considered the key management personnel.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

3. PLANT AND EQUIPMENT

	Computer software S\$	Office equipment S\$	Computer S\$	Total S\$
Cost				
At 01.01.2018 / 31.12.2018 / 01.01.2019	2,199	1,691	-	3,890
	-	-	1,433	1,433
At 31.12.2019	2,199	1,691	1,433	5,323
Accumulated depreciation				
At 01.01.2018	2,166	1,081	-	3,247
Charge for the year	33	564	-	597
At 31.12.2018 / 01.01.2019	2,199	1,645	-	3,844
Charge for the year	-	46	955	1,001
At 31.12.2019	2,199	1,691	955	4,845
Carrying amount				
At 31.12.2019	-	-	478	478
At 31.12.2018	-	46	-	46

4. TRADE RECEIVABLES

	2019 S\$	2018 S\$
Trade receivables	83,125	83,692

Trade receivables are non-interest bearing and are generally on 30 days credit terms. They are recognised at their original invoiced amounts which represent their fair values on initial recognition. The trade receivables for the Association that are past due at the end of the reporting period but not impaired amount to S\$Nil (2018: S\$30).

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

4. TRADE RECEIVABLES (Continued)

These receivables are unsecured and the analysis of their ageing at the end of the reporting period is as follows: -

	2019 S\$	2018 S\$
Past due 1 to 30 days	-	83,662
Past due more than 90 days	-	30
	<u>-</u>	<u>83,692</u>

5. CASH AND CASH EQUIVALENTS

	2019 S\$	2018 S\$
Cash on hand	1,336	1,145
Cash at bank	<u>512,799</u>	<u>568,098</u>
	<u>514,135</u>	<u>569,243</u>

Cash and cash equivalents are denominated in the following currencies: -

- Chinese Renminbi	4	-
- Singapore dollars	513,188	569,243
- United States dollars	<u>943</u>	<u>-</u>
	<u>514,135</u>	<u>569,243</u>

6. REVENUE

	2019 S\$	2018 S\$
Membership subscription	7,346	4,130
Income from conference	82,021	52,565
Income from conference partnership	-	55,992
Income from training	85,929	69,748
Others	<u>117</u>	<u>101</u>
	<u>175,413</u>	<u>182,536</u>

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

7. COST OF REVENUE

	2019	2018
	S\$	S\$
Conference expenses	114,293	63,374
Workshop expenses	55,165	26,741
	<u>169,458</u>	<u>90,115</u>

8. EXPENDITURE

	2019	2018
	S\$	S\$
Auditors' remuneration	3,200	3,200
Bank charges	2,039	1,243
Depreciation	1,001	597
Exchange difference	(35)	411
Exco meeting expenses	12,278	21,571
General expenses	676	507
IT and web hosting expenses	8,180	6,019
Printing and stationery	-	214
Professional fee	1,900	5,050
Secretariat fees	6,600	26,399
Service fee	19,000	-
Tax fee	700	700
	<u>55,539</u>	<u>65,911</u>

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

9. TAXATION

No provision for taxation has been made in view of the loss incurred by the association.

The tax expense on the results for the financial year varies from the amount of income tax determined by applying Singapore standard rate of income tax to surplus before tax due to the following factors: -

	2019 S\$	2018 S\$
(Deficit)/Surplus before tax	<u>(49,584)</u>	<u>26,510</u>
Tax expense calculated at a tax rate of 17%	(8,429)	4,507
Revenue not taxable for tax purpose	(45)	(563)
Unrecognised deferred tax liabilities at end of year	<u>8,474</u>	<u>(3,944)</u>
	<u>-</u>	<u>-</u>

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Association is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, foreign currency risk and interest rate risk. The Management Committee reviews and agrees policies and procedures for the management of these risks.

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

Credit Risk

Credit risk is the risk that entities and individuals will be unable to meet their obligations to the Association resulting in financial loss to the Association. It is the company's policy to enter into transactions with a diversity of creditworthy parties to mitigate any significant concentration of credit risk.

At the end of the reporting period, the Association's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position. The Association places its cash with creditworthy financial institutions.

The carrying amount of trade and other receivables, and cash and bank balances represent the company's maximum exposure to credit risk in relation to financial assets.

The Association measured the impairment loss allowance using 12-month expected credit losses and determined that the expected credit losses is immaterial.

ASIA-PACIFIC BIOSAFETY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2019

10. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

Liquidity Risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting financial obligations due to shortage of funds. The Association's exposure to liquidity arises primarily from mismatches of the maturities of financial assets and liabilities. The Association's objectives are to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Foreign Currency Risk

The Association is exposed to foreign currency risk on certain expenses that are denominated in Renminbi. The Association ensures that the net exposure to currency fluctuation is kept to an acceptable level.

Interest Rate Risk

The Association's receipts and expenditures are substantially independent of changes in market interest rates. As at the financial year-end, the financial assets and financial liabilities bear no significant interest rate risk. As such, fluctuations in market interest rates do not have any significant effect on the Association's cash flows.

11. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period: -

	2019 S\$	2018 S\$
Assets		
<u>Financial assets</u>		
At amortised cost: -		
Trade receivables	83,125	83,692
Cash and cash equivalents	514,135	569,243
	<u>597,260</u>	<u>652,935</u>
Liabilities		
<u>Financial liabilities</u>		
At amortised cost: -		
Trade payables	-	18,006
Accruals	16,322	-
	<u>16,322</u>	<u>18,006</u>

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12. FAIR VALUES

The carrying amount of financial assets and financial liabilities are recorded in the financial statements at their approximate fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

13. RESERVE POLICY

The reserve policies adopted by the Association are as follows: -

1. Funding the operations of the Association; and
2. Funding new events undertaken by the Association and collaboration partners for the benefit of its members.

With the unanimous approval of the management committee, the Association is able to draw down from its reserve to meet its needs to ensure ongoing services are not disrupted.

On an annual basis, the management committee reviews the amount of reserve that is required to ensure that the reserve is adequately fulfilling the continuing obligations of the Association.

14. STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standards that have been issued but not yet effective are as follows: -

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
FRS 1, FRS 8	<i>Amendments to FRS 1 and FRS 8: Definition of Material</i> 1 January 2020
FRS 103	<i>Amendments to FRS 103: Definition of a Business</i> 1 January 2020
Various	<i>Amendments to References to the Conceptual Framework in FRS Standards</i> 1 January 2020 <i>Amendments to illustrative examples, implementation guidance and FRS practice statements</i>
FRS 117	<i>Insurance Contracts, Illustrative Examples</i> 1 January 2021

The initial application of these Standards, Amendments and Interpretations are not expected to have any material impact on the company's financial statements.

The Association has not considered the impact of Accounting Standards issued after the reporting period.