

**ANNUAL REPORT 2016**

**Audited Financial Statements**

**And Other Financial Information**

**Information Technology Management Association**

**(REGISTERED IN SINGAPORE UNDER THE SOCIETIES ACT, CAP 311)**

**(UEN: S80SS0034E)**

**31 December 2016**

Y M Woo & Co  
Chartered Accountants of Singapore

## **EXECUTIVE COUNCIL MEMBERS**

Alvin Ong Siau-Wah	- President
Alan Goh	- Vice-President
Ang Mui Kim	- Vice-President
Tham Mun Chun	- Honorary Secretary
Lim Hooi Ling	- Treasurer
Eu Kwang Chin	- Council Member
Gan Wei Boon	- Council Member
Kwa Kim Chiong	- Council Member
Liang Chwee Bock, Bruce	- Council Member
Ramesh Narayanaswamy	- Council Member
Siew Yim Cheng	- Council Member
Tan Bee Teck	- Council Member
Tan Beng Teck Alvin	- Council Member

## **REGISTERED OFFICE**

8, Shenton Way, #21-08  
Singapore 068811

## **BANKERS**

CIMB Group  
Development Bank of Singapore Ltd

## **INDEPENDENT AUDITOR**

Y M Woo & Co  
Chartered Accountants of Singapore

## **INDEX**

	<b>Page</b>
Statement By The Executive Council .....	1
Independent Auditor's Report .....	2
Statement Of Financial Position .....	4
Statement Of Income And Expenditure.....	5
Statement Of Changes In Accumulated Funds .....	6
Statement Of Cash Flows .....	7
Notes to the Financial Statements.....	8

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Statement By The Executive Council

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On behalf of the Executive Council of Information Technology Management Association, we hereby state that:

- (i) the financial statements are drawn up so as to give a true and fair view of the state of affairs of the Association as at 31 December 2016 and of the results of the business, changes in funds and cash flows of the Association for the financial year ended on that date; and
- (ii) 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.



.....  
Alvin Ong Siau-Wah  
President



.....  
Lim Hooi Ling  
Treasurer

28 February 2017

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# Y M Woo & Co

Chartered Accountants of Singapore

Business Registration Number: S88PF0309G

60 Paya Lebar Road, #10-20 Paya Lebar Square, Singapore 409051.

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## **Independent Auditor's Report To The Members Of Information Technology Management Association**

### **Report on the Financial Statements**

#### *Opinion*

We have audited the financial statements of Information Technology Management Association (the "Association"), which comprise the statement of financial position of the Association as at 31 December 2016, the statements of income and expenditure, statements of changes in accumulated funds and statements of cash flows of the Association for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements of the Association are properly drawn up in accordance with the provisions of the Singapore Societies Act, Cap 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 2016, and of the financial performance, changes in equity and cash flows of the Association for the financial year ended on that date.

#### *Basis for Opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the 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*

The Executive Council Member is responsible for the other information. The other information comprises the Statement by Executive Council (set out on pages 1).

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

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

#### *Responsibilities of Executive Council Member for the Financial Statements*

The Executive Council Member 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, Executive Council Member 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 Executive Council Member either intends to liquidate the Association or to cease operations, or has no realistic alternate but to do so.

The Executive Council Member's responsibilities include overseeing the Association's financial reporting process.

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# Y M Woo & Co

Chartered Accountants of Singapore

Business Registration Number: S88PF0309G

60 Paya Lebar Road, #10-20 Paya Lebar Square, Singapore 409051.

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## *Auditor's Responsibilities for the Audit of the Financial Statements*

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


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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Executive Council Member.
- Conclude on the appropriateness of the Executive Council Member'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 president 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.



Y M Woo & Co  
Public Accountants and  
Chartered Accountants  
Singapore

28 February 2017

# Information Technology Management Association

(Registered in the Republic of Singapore)

## Statement Of Financial Position As At 31 December 2016

	<u>Note</u>	<u>2016</u> S\$	<u>2015</u> S\$
<b>ASSETS</b>			
<b>Current assets</b>			
Trade and other receivables	4	24,000	33,600
Cash and cash equivalents	5	728,355	694,244
Total current assets		<u>752,355</u>	<u>727,844</u>
<b>TOTAL ASSETS</b>		<u>752,355</u>	<u>727,844</u>
<b>LIABILITIES AND FUNDS</b>			
<b>Current liabilities</b>			
Trade and other payables	6	18,076	7,949
Current income tax liabilities		1,154	4,870
Total current liabilities		<u>19,230</u>	<u>12,819</u>
<b>TOTAL LIABILITIES</b>		19,230	12,819
<b>FUNDS</b>			
Accumulated funds		<u>733,125</u>	<u>715,025</u>
<b>TOTAL LIABILITIES AND FUNDS</b>		<u>752,355</u>	<u>727,844</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

# Information Technology Management Association

(Registered in the Republic of Singapore)

## Statement Of Income and Expenditure For The Financial Year Ended 31 December 2016

	<u>Note</u>	<u>2016</u> S\$	<u>2015</u> S\$
<b>INCOME</b>			
Annual dinner sponsorship		50,733	32,000
CIO study trip		391,309	367,470
Entrance and subscription fees		27,240	28,880
IT best practice		84,050	100,630
Interest income		2,634	2,387
Temporary Employment Credit		1,435	120
Wage Credit Scheme		4,395	4,395
WDA grant		653	-
		<u>562,449</u>	<u>535,882</u>
<b>LESS: EXPENDITURE</b>			
AGM dinners and related expenses		16,521	3,988
Annual dinner expenses		70,733	53,454
Auditor's remuneration		2,000	2,000
Book prizes and endowment fund		-	4,000
CIO study trip expenses		289,318	251,190
Council meetings expenses		3,308	2,314
Employee cost		53,266	35,622
IT best practice expenses		67,583	67,101
Miscellaneous expenses		449	220
Postage and stationery expenses		3,781	3,504
SCS Gala dinner		2,354	2,354
Souvenirs and gifts expenses		-	3,370
Talks and functions expenses		11,236	4,113
Toastmasters club		2,568	2,473
Website hosting and enhancements expenses		20,758	37,878
		<u>543,875</u>	<u>473,581</u>
<b>Surplus before tax</b>		18,574	62,301
Income tax expenses	7	<u>(474)</u>	<u>(8,552)</u>
<b>Net surplus for the year</b>		<u>18,100</u>	<u>53,749</u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Statement Of Changes In Accumulated Funds For The Financial Year Ended 31 December 2016

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	<b>Accumulated Funds S\$</b>
Balance as at 1 January 2015	661,276
Net surplus for the year	53,749
Balance as at 31 December 2015	<u>715,025</u>
Net surplus for the year	18,100
Balance as at 31 December 2016	<u><u>733,125</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.



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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Statement Of Cash Flows For The Financial Year Ended 31 December 2016

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	<u>2016</u> S\$	<u>2015</u> S\$
<b>Cash flows from operating activities</b>		
Surplus before tax	18,574	62,301
Adjustments:		
Interest income	(2,634)	(2,387)
<b>Operating surplus before working capital changes</b>	<u>15,940</u>	<u>59,914</u>
Trade receivables	9,600	24,950
Trade and other payables	10,127	(47,844)
<b>Cash generated from operations</b>	<u>35,667</u>	<u>37,020</u>
Income tax paid	(4,190)	(3,682)
Interest received	2,634	2,387
<b>Net cash from operating activities</b>	<u>34,111</u>	<u>35,725</u>
<b>Cash flows from financing activities</b>		
Additional fixed deposits	(2,598)	(2,351)
<b>Net cash used in financing activities</b>	<u>(2,598)</u>	<u>(2,351)</u>
<b>Net increase in cash and cash equivalents</b>	31,513	33,374
Cash and cash equivalents at the beginning of year	489,946	456,572
<b>Cash and cash equivalents at the end of year (Note 5)</b>	<u><u>521,459</u></u>	<u><u>489,946</u></u>

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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

### 1. GENERAL INFORMATION

Information Technology Management Association is registered in Singapore on 2 May 1980 under the Societies Act, Cap 311. The Association has its registered office at 8 Shenton Way, #21-08 Singapore 068811.

The principal activities of the Association are to organise events and activities and provide a platform for its members to gain new knowledge and share experience in IT management best practices and to build their professional network.

These financial statements for the financial year ended 31 December 2016 were authorised for issue by the Executive Council of the Association as of the date stated on Statement by the Executive Council.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”). The financial statements are expressed in Singapore Dollars (S\$ or SGD) and have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Association’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

#### *Interpretations and amendments to published standards effective in 2016*

On 1 January 2016, the Association adopted the new or amended FRS and Interpretations to FRS (“INT FRS”) that are mandatory for application from that date. Changes to the Association’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the Association’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Income recognition**

Income for the Association comprises the fair value of the consideration received or receivable for the rendering of services, net of rebates and discounts. Income is recognised as follows:

#### Income from events

Income from events is recognised when the events are completed.

#### Subscription fees

Income from subscription fees are recognised during the period of subscription.

#### Sponsorships

Sponsorships are recognised on an accrual basis over the term of sponsorship agreement, except for those made for specified purposes, which are recognised as the specified expenditure is incurred.

#### Donations

Donations are recognised on a receipt basis.

#### **Functional and presentation currency**

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

The Association conducts all its transactions in Singapore Dollar. Consequently, all the balances in the financial statements of the Association are denominated in Singapore Dollar.

#### **Financial assets**

#### Classification

The Association classifies its financial assets in the following categories: at fair value through profit or loss, loans and receivables, held-to-maturity, and available-for-sale. The classification depends on the purpose for which the assets were acquired. The Executive Council determines the classification of its financial assets at initial recognition. The designation of financial assets at fair value through profit or loss is irrevocable. Other than loans and receivables, there are no other categories of financial assets.

#### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except for those maturing later than 12 months after the end of the reporting period which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Financial assets (cont'd)**

##### Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Association commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Association has transferred substantially all risks and rewards of ownership. On disposal of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the profit or loss. Any amount in the fair value reserve relating to that asset is transferred to the profit or loss.

##### Initial measurement

Loans and receivables are initially recognised at fair value plus transaction costs.

##### Subsequent measurement

Loans and receivables are subsequently carried at amortised cost using the effective interest method.

##### Impairment

The Association assesses at the end of each reporting period whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

##### *Loans and receivables*

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the profit or loss.

The allowance for impairment loss account is reduced through the profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost, had no impairment been recognised in prior periods.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Trade and other payables**

Trade and other payables represent liabilities for goods and services provided to the Association prior to the end of financial year which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost using the effective interest method.

#### **Provisions**

Provisions are recognised when the Association has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit or loss as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

#### **Derecognition of financial liabilities**

The Association derecognises financial liabilities when, and only when, the Association's obligations are discharged, cancelled or they expire.

#### **Employee compensation**

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

#### Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Association pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Association has no further payment obligations once the contributions have been paid.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### **Income received in advance**

Income received in advance comprises of advance payment received for events, for which revenue is recognised when the event has been completed.

#### **Government grants**

Grants from the government are recognised at their fair value when there is reasonable assurance that the grants will be received and the Association will comply with all the attached conditions. Government grants relating to expenses are shown separately as other income.

Government grants are recognised as income over the period necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to assets are deducted against the carrying amount of the assets.

#### **Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents include cash on hand and deposits with financial institutions which are subject to an insignificant risk of change in value.

#### **Accumulated funds**

Accumulated funds represent the amounts accumulated from the transfer of the surplus/ (deficit) of each financial year.

#### **Fair values of financial assets and liabilities**

Fair value is defined as the amount at which the financial instrument could be exchanged in a current transaction between knowledgeable willing parties in an arm's length transaction, other than in a forced or liquidation sale. Fair values are obtained from quoted market prices, discounted cash flow models and option pricing models as appropriate.

The following methods and assumptions are used to estimate the fair value of each class of financial instruments for which it is practicable to estimate that value:-

Cash and cash equivalents and other current financial assets - The carrying amounts of cash and cash equivalents and other current financial assets approximate their fair values due to the relatively short-term maturity of these financial instruments.

Other current financial liabilities - The carrying amounts approximate fair value because of the short period to maturity of these instruments.

# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

### 3. CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

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

#### Critical judgements in applying the Association's accounting policies

##### Income tax

The Association has exposure to income taxes and significant judgement is involved in determining the Association's provision for income taxes. There are certain transactions and computations for which the ultimate tax determining is uncertain during the ordinary course of business. The Association recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where 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 provision in the financial year in which such determination is made.

### 4. TRADE AND OTHER RECEIVABLES

	<u>2016</u> S\$	<u>2015</u> S\$
Trade receivables		
- Non-related parties	20,000	33,600
Other receivables		
- Prepaid expenses	4,000	-
	<u>24,000</u>	<u>33,600</u>

### 5. CASH AND CASH EQUIVALENTS

	<u>2016</u> S\$	<u>2015</u> S\$
Cash at bank	450,443	418,966
Fixed deposits	277,912	275,278
	<u>728,355</u>	<u>694,244</u>

The fixed deposits of the Association bear interest rate of 0.05% to 1.78% (2015: 0.05% to 1.8%) per annum and with maturity date of 1 month to 12 months (2015: 1 month to 12 months) from the placement date and are not restricted in use.

For the purpose of presenting the statement of cash flows, cash and cash equivalents comprise the following:

	<u>2016</u> S\$	<u>2015</u> S\$
Cash and bank balances (as above)	728,355	694,244
Less: fixed deposits with more than 3 months maturity	(206,896)	(204,298)
	<u>521,459</u>	<u>489,946</u>

# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

### 6. TRADE AND OTHER PAYABLES

	<u>2016</u> S\$	<u>2015</u> S\$
Trade payables		
- Non-related parties	11,076	5,949
Other payables		
- Accrued charges	2,000	2,000
- Income received in advance	5,000	-
	<u>18,076</u>	<u>7,949</u>

### 7. INCOME TAX EXPENSES

	<u>2016</u> S\$	<u>2015</u> S\$
Current income tax		
Current year	1,154	4,870
(Over)/under-provision in prior year	(680)	3,682
	<u>474</u>	<u>8,552</u>

The income tax expense varied from the amount of income tax expense by applying the Singapore statutory tax rate of 17% (2015: 17%) to surplus before tax as a result of the following differences:

	<u>2016</u> S\$	<u>2015</u> S\$
Surplus before tax	<u>18,574</u>	<u>62,301</u>
Income tax at statutory rate	3,158	10,591
Effect of tax exemption	(2,004)	(5,721)
(Over)/under-provision in prior year	(680)	3,682
	<u>474</u>	<u>8,552</u>



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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 8. FINANCIAL RISK MANAGEMENT POLICIES

#### *Financial risk factors*

The Association's activities expose it to a variety of financial risks. The Association's overall business strategies, tolerance of risk and general risk management philosophy are determined by the Executive Council in accordance with prevailing economic and operating conditions.

#### Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for other party by failing to discharge an obligation. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (i.e. cash and cash equivalents), the Association minimise credit risk by dealing exclusively with high credit rating counterparties.

At the end of reporting period, there is no significant concentration of credit risk.

The maximum exposure to credit risk in the event that the counterparties fail to perform the obligations as at the end of the financial year in relation to each class of financial assets is the carrying amount of these assets in the statement of financial position.

#### *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due or impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Association.

#### *Financial assets that are neither past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired.

#### Interest rate risk

Interest rate risk is the risk that changes in interest rates will have an adverse financial effect on the Association's financial conditions and/or results.

The Association is not exposed to interest rate risks as the Association has no interest bearing financial assets and financial liabilities.

#### Foreign currency risk

Currency risk is the risk that the fair value or future cash flows of financial instrument will fluctuate because of changes in foreign exchange rates.

The Association is not exposed to foreign exchange risk as its operation is transacted in Singapore Dollar. All financial assets and financial liabilities were denominated in Singapore Dollar at the end of the reporting period.

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# Information Technology Management Association

(Registered in the Republic of Singapore)

## Notes to the Financial Statements --- 31 December 2016

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### 8. FINANCIAL RISK MANAGEMENT POLICIES (CONT'D)

*Financial risk factors (cont'd)*

#### Liquidity risk

Prudent liquidity management implies maintaining sufficient cash and the availability of funding through an adequate amount of committed credit facilities. The Association maintains sufficient cash balances to provide flexibility in meeting its day to day funding requirements.

The table below analyses non-derivative financial liabilities of the Association into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying amounts as the impact of discounting is not significant.

	<b>Less than <u>1 year</u> S\$</b>	<b><u>Total</u> S\$</b>
<b>At 31 December 2016</b>		
<b><u>Financial liabilities</u></b>		
Trade and other payables	<u>18,076</u>	<u>18,076</u>
<b>At 31 December 2015</b>		
<b><u>Financial liabilities</u></b>		
Trade and other payables	<u>7,949</u>	<u>7,949</u>

### 9. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and are mandatory for accounting periods beginning on or after 1 January 2017.

The Association does not expect that adoption of these accounting standards or interpretations will have a material impact on the Association's financial statements.

----- *End of audited financial statements* -----