

INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD.

(Incorporated in Singapore)
UEN. No.: 201437064G

Audited Financial Statements for year ended 31 December 2017

AAA ASSURANCE PAC
Public Accountants and Chartered Accountants
180B Bencoolen Street
#12-05 The Bencoolen,
Singapore 189648
Tel: 6392 0021
Fax: 6392 0923
Email: akber@aaapac.com

TABLE OF CONTENTS	PAGE
Directors' Statement	2 - 3
Independent Auditor's Report	4 - 6
Statement of Profit or Loss and Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Statement of Cash Flows	10
Notes to the Financial Statements	11 - 20

The directors are pleased to present their statement to the members together with the audited financial statements of INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD. ("the Company") for the financial year ended 31 December 2017.

OPINION OF THE DIRECTORS

In the opinion of the directors,

- (a) the financial statements of the Company are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and the financial performance, changes in equity and cash flows of the Company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Bruce Harold John Mckellar
Phua Kok Khoo

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

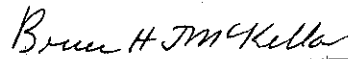
According to the register of directors' shareholdings kept by the Company under section 164 of the Company Act Chapter 50 (the "Act"), none of the directors of the Company who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations.

As the Company is limited by guarantee, matters relating to interest in shares, debentures or share options are not applicable.

INDEPENDENT AUDITOR

The independent auditor, AAA Assurance PAC has expressed its willingness to accept re-appointment as auditor.

The Board of Directors,



Bruce Harold John Mckellar
Director



Phua Kok Khoo
Director

Singapore

10 APR 2018



AAA ASSURANCE PAC
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

180B Bencoolen Street #12-05 The Bencoolen
Singapore 189648
Tel : (65) 6392 0021
Fax : (65) 6392 0923
Email : akber@aaapac.com

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD** Co. Reg. No. 201408818E
(Reg No: 201437064G)

REPORT ON THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD. (the "Company"), which comprise the statement of financial position of the Company as at 31 December 2017, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company 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 Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 December 2017 and of the financial performance, changes in equity and cash flows of the Company 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 Company 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 Director's statement set out on pages 2 to 3.

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.

- continued



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF

INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD Co. Reg. No. 201408818E

(Reg No: 201437064G) – continued

Responsibilities of Management and Directors for the Financial Statements

Management 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, management is responsible for assessing the Company'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 Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements.

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

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- continued



AAA ASSURANCE PAC
PUBLIC ACCOUNTANTS
CHARTERED ACCOUNTANTS

180B Bencoolen Street #12-05 The Bencoolen
Singapore 189648
Tel : (65) 6392 0021
Fax : (65) 6392 0923
Email : akber@aaapac.com
Co. Reg. No. 201408818E

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD.**
(Reg No: 201437064G) – continued

Auditor's Responsibilities for the Audit of the Financial Statements – continued

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company'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 Company 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 Company have been properly kept in accordance with the provisions of the Act.

AAA Assurance PAC
Public Accountants and Chartered Accountants

Singapore

10 APR 2010

**INTERNATIONAL UNION OF PURE AND
APPLIED PHYSICS SINGAPORE LTD.**

Statement of Profit or Loss and Other
Comprehensive Income for the financial year end
31 December 2017

	2017	2016
	<u>Euro</u>	<u>Euro</u>
<u>Revenue</u>		
Membership fees - current	566,574	542,432
<u>Other Income</u>		
Foreign exchange gain	-	3,879
Grant received from ICSU for LAAMP events	67,633	-
	67,633	3,879
<u>Expenses</u>		
Banking and Accounting	7,218	6,986
Conferences and Travel Grants	192,500	402,539
Dues written off and waived	51,958	-
Gender Gap	5,000	-
Commissions	16,488	15,333
Contributions for LAAMP events	67,633	-
Council and Commission Meetings	1,095	23,077
Developing Country Workshop	28,000	21,000
General Assembly	59,568	-
ICSU General Assembly	5,338	-
IUPAP Young Scientist Prizes	18,623	18,769
LAAMP IUPAP	3,000	-
New Elements JWG	3,844	-
Nomination Sub Committee	2,723	-
SASAME	4,492	-
Working Groups	23,629	25,743
Women in Physics Conference	15,000	-
Newsletter Reports	1,463	2,657
Secretariat	53,596	26,405
Secretariat UK	-	10,495
Subscriptions ICSU	22,489	21,834
President	3,780	4,984
Total Expenses	(587,437)	(579,822)
Surplus/(Deficit)	<u>46,770</u>	<u>(33,511)</u>

The annexed notes form an integral part of the audited financial statements.

**INTERNATIONAL UNION OF PURE AND
APPLIED PHYSICS SINGAPORE LTD.**

Statement of Financial Position
As at 31 December 2017

	<u>Note</u>	<u>2017</u> Euro	<u>2016</u> Euro
Current Assets			
Bank Balances	6	1,437,399	1,331,837
Membership Dues Receivables		129,433	143,722
		<u>1,566,832</u>	<u>1,475,559</u>
Current Liabilities			
Accruals	7	2,973	2,960
Other Payables		240,704	194,000
Membership Dues Received in Advance		4,178	6,392
		<u>247,855</u>	<u>203,352</u>
Net Assets		<u>1,318,977</u>	<u>1,272,207</u>
Equity			
Retained Earnings		<u>1,318,977</u>	<u>1,272,207</u>

The annexed notes form an integral part of the audited financial statements.

	<u>Retained Earnings</u> Euro
Balance at 31 December 2015	<u>1,305,718</u>
Deficit for the year, representing total comprehensive loss for the year	(33,511)
Balance at 31 December 2016	<u>1,272,207</u>
Surplus for the year, representing total comprehensive income for the year	46,770
Balance at 31 December 2017	<u><u>1,318,977</u></u>

The annexed notes form an integral part of the audited financial statements.

**INTERNATIONAL UNION OF PURE AND
APPLIED PHYSICS SINGAPORE LTD.**

Statement of Cash Flows
for the financial year ended 31 December 2017

	2017	2016
	Euro	Euro
CASH FLOWS FROM OPERATING ACTIVITIES		
Surplus/(Deficit) before Taxation	46,770	(33,511)
Operating Cash Flows before Working Capital Changes		
Working Capital Changes:		
Membership Dues Receivable	14,289	(4,362)
Accruals	13	2,960
Other Payables	46,704	194,000
Membership Dues Received in Advance	(2,214)	6,392
Cash Generated from Operating Activities	<u>105,562</u>	<u>165,479</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	105,562	165,479
Cash and Cash Equivalents at the Beginning of the Year	<u>1,331,837</u>	<u>1,166,358</u>
Cash and Cash Equivalents at the end of the Year	<u><u>1,437,399</u></u>	<u><u>1,331,837</u></u>
Comprising:		
Bank Balances	<u><u>1,437,399</u></u>	<u><u>1,331,837</u></u>

The annexed notes form an integral part of the audited financial statements.

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

1. General

INTERNATIONAL UNION OF PURE AND APPLIED PHYSICS SINGAPORE LTD. (the "Company") is company limited by guarantee which is registered and domiciled in Singapore with its registered office business at 60 Nanyang view #02-18, Singapore 639673.

The principal activities of the Company are those of worldwide development of physics.

The Company was incorporated for the purpose of carrying out the administration of The International Union of Pure and Applied Physics (IUPAP), an unincorporated member association founded in 1922 which is domiciled in Switzerland. Until such time the administration is taken over by the entity of the next country of administration, the country of administration is Singapore and the Company is the administering entity.

There has been no significant change in the nature of these activities during the financial year.

2. Summary of Significant Accounting Policies

(a) Basis of Preparation

The financial statements of the Company have been drawn up accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Euro (Euro), which is the Company's functional currency. All financial information presented in Euros has been rounded to the nearest one dollar, unless otherwise indicated.

(b) 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 Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial period beginning on or after 1 January 2017. The adoption of these standards did not have any material effect on the financial statements.

(c) Functional Currency Transactions and Balances

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.

2. Summary of Significant Accounting Policies - continued

(d) Impairment of Non-Financial Assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, (or, where applicable, when an annual impairment testing for an asset is required) the Company makes an estimate of the asset's recoverable amount.

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

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

(e) Financial Instruments

(i) Financial Assets

Initial Recognition and Measurement

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent Measurement

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Loans and receivables comprise membership dues receivables and cash and cash equivalents.

Cash and cash equivalents comprise cash at bank.

2. Summary of Significant Accounting Policies – continued

(e) Financial Instruments - continued

(i) Financial Assets - continued

De-recognition

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

(ii) Financial Liabilities

Initial Recognition and Measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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.

Such financial liabilities comprise accruals, other payables and membership dues received in advance.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(f) Impairment of Financial Assets

The Company assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

2. Summary of Significant Accounting Policies – continued

(f) Impairment of Financial Assets - continued

Financial Assets Carried at Amortised Cost

For financial assets carried at amortised cost, the Company first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying amount of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(g) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and which are subject to an insignificant risk of changes in value.

(h) Provisions

General

Provisions are recognised when the Company 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 the amount of the obligation can be estimated reliably.

2. Summary of Significant Accounting Policies – continued

(h) Provisions – continued

General– continued

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.

(i) Employee Benefits

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 if the Company 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 measured reliably.

(j) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company 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 and duty.

Membership Dues

Members' annual subscription and contribution are recognized when due.

Sponsorship grants

Sponsorship grants are recognised when received.

(k) Taxes

(i) Current Income Tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

2. Summary of Significant Accounting Policies – continued

(k) Taxes – continued

(ii) Deferred Tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

3. Significant Accounting Judgements and Estimates

The preparation of the Company'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 could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

(a) Judgments Made in Applying Accounting Policies

Determination of Functional Currency

In determining the functional currency of the Company, judgment is used by the Company to determine the currency of the primary economic environment in which the Company operates. Consideration factors include the currency that mainly influences services and the currency of the country whose competitive forces and regulations mainly determines the price of its services.

(b) 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 of the reporting period are discussed below. The Company 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 Company. Such changes are reflected in the assumptions when they occur.

3. Significant Accounting Judgements and Estimates - continued

(b) Key Sources of Estimation Uncertainty - continued

Impairment of membership dues receivables

Management continuously evaluates the recoverability of the outstanding membership dues receivables at each general meeting. In assessing the ultimate realisation of these receivables, management considers, among other factors, the age of the membership dues receivables. According to the Company's policy, if the membership fees are outstanding for more than a maximum of 6 years, the membership will be revoked. The membership dues receivables as at 31 December 2017 amounted to \$129,433 (2016: \$143,722).

4. Revenue

Revenue represents income from membership dues by associate members for the current financial year.

5. Income Tax Expense

	<u>2017</u> Euro	<u>2016</u> Euro
Income tax expense		
(a) On the results for the financial year/period	-	-

Reconciliation between tax benefit and the product of accounting surplus/(deficit) multiplied by the applicable corporate tax rate for the financial year ended 31 December were:

	<u>2017</u> Euro	<u>2016</u> Euro
Surplus/(Deficit) before Taxation	46,770	(33,511)
Adjustments:		
Tax calculated at a tax rate of 17% (2016:17%)	(7,951)	(5,697)
Tax effect of exclusion of receipts from members under Section 11(1) of the Income Tax Act (cap. 134)	7,951	5,697
Tax expense	<u>-</u>	<u>-</u>

6. Bank Balances

As at 31 December, bank balances were denominated in the following currencies:

	<u>2017</u> Euro	<u>2016</u> Euro
Singapore Dollars	35,188	22,160
Euro	1,402,211	1,309,677
	<u>1,437,399</u>	<u>1,331,837</u>

7. Accruals

At the reporting date, the Company's accruals were denominated in Singapore Dollars.

8. Financial Risk Management

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk. (including foreign currency risk and interest rate risk).

8. **Financial Risk Management - continued**

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is, and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

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

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

Interest rate risk

The Company is not exposed to interest rate risk as it does not have any significant interest bearing assets or liabilities.

Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

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

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

At the reporting date, the Company has no significant concentration of credit risk.

(i) Financial assets that are neither past due nor impaired

Bank deposits that are neither past due nor impaired are mainly deposits with banks which have high credit-ratings as determined by international credit-rating agencies. Membership dues that are neither past due nor impaired are substantially companies with good collection track records with the Company.

(ii) Financial assets that are past due and/or impaired

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

8. Financial Risk Management - continued

Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's objective is to maintain a balance between continuity of funding and flexibility through managing the volume of activities and setting budgets for approved expenditures for the following year. The Company's operations are financed mainly through membership dues. The directors are satisfied that funds are available to finance the operations of the Company.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Company's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	<u>Within 1 year</u>	
	<u>2017</u> Euro	<u>2016</u> Euro
Financial Asset		
Bank Balances	1,437,399	1,331,837
Membership Dues Receivables	129,433	143,722
	<u>1,566,832</u>	<u>1,475,559</u>
Financial Liability		
Accruals	2,973	2,960
Other Payables	240,704	194,000
Membership Dues Received in Advance	4,178	6,392
	<u>(247,855)</u>	<u>(203,352)</u>
Net Undiscounted Financial Assets	<u>1,318,977</u>	<u>1,272,207</u>

Foreign currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Company has no significant exposure to foreign exchange risk as there are no significant transactions denominated in foreign currencies. The Company does not use derivative financial instruments such as foreign currency forward exchange contracts and currency options.

9. Fair Values

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.

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.

9. Fair Values - continued

Cash and cash equivalents, other payables, accruals and membership dues received in advance

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Membership dues receivables

The carrying amounts of these receivables approximate their fair values as they are subject to 6 years credit terms.

10. Financial Instruments by Category

At the reporting date, the aggregate carrying amounts of loans and receivables and financial liabilities at amortised cost were as follows:

	<u>2017</u> Euro	<u>2016</u> Euro
<u>2017</u>		
Loans and receivables		
Bank Balances	1,437,399	1,331,837
Membership Dues Receivable	129,433	143,722
Total loans and receivables	<u>1,566,832</u>	<u>1,475,559</u>
Financial liabilities measured at amortised cost		
Accruals	2,973	2,960
Other Payables	240,704	194,000
Membership Dues Received in Advance	4,178	6,392
Total financial liabilities measured at amortised cost	<u>247,855</u>	<u>203,352</u>

11. Authorisation of Financial Statements

The financial statements for the year ended 31 December 2017 were authorised for issue in accordance with a resolution of the board of directors of the company issued on the date of the directors' statement.