



SRA

SINGAPORE
R@TAILERS
ASSOCIATION

**ANNUAL
REPORT
2017**



CONTENTS

PRESIDENT'S MESSAGE	1
COUNCIL MEMBERS	2
2017 HIGHLIGHTS	3
ACHIEVEMENTS IN 2017	4
Retail Industry Transformation Map	4
Industry Retail Events	5
Training and Recognition	6
Members and Industry Engagement Events	7
MOVING FORWARD	8
LIST OF MEMBERS	9
FINANCIAL STATEMENTS	11
Statement by Council Members	11
Independent Auditor's Report	11
Consolidated Statement of Comprehensive Income	13
Balance Sheets	14
Statements of Changes in Fund	14
Consolidated Statement of Cash Flows	15
Notes to Financial Statements	16

REGISTERED OFFICE

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#05-11B The Adelphi
Singapore 179803
Tel: 6360 0188
Email: info@sra.org.sg
URL: <http://www.retail.org.sg>

BANKERS

DBS Bank Limited
Overseas Chinese Banking Corporation Limited
Standard Chartered Bank

AUDITOR

JH Tan & Associates
Chartered Accountants Singapore

PRESIDENT'S MESSAGE



The retail sector is going through exciting times.

In light of the challenges posed by e-commerce and the demands of today's Internet-savvy consumers, SRA has, with the government's support, strived to ensure that our members stay relevant and thrive in this digital age.

It is no secret that brick-and-mortar businesses have their work cut out for them in this current climate where their e-commerce rivals offer greater convenience, wider product selection and lower prices. Space constraints, overheads and labour costs mean physical stores cannot compete on these aspects. These factors and the rapid growth of e-commerce around the world has inherently led to suggestions that the death of the traditional retail model is nigh.

But this is certainly not the case. Research has shown that the majority of retail sales globally still take place in physical stores, and this will continue to be the trend for the foreseeable future.

Call me old fashioned, but I still prefer to buy my clothes at a brick-and-mortar store. Why? Because I get to feel the textile and try the shirt or trousers to see if it fits. In addition, there is always a shop assistant I can approach should I have any queries about the product.

The tactile and human elements that physical stores offer are what makes them stand out. These are unique characteristics that online platforms can never replicate.

In today's digital age, online and offline businesses are beginning to realise that this is not a "it's either me or you" scenario – consumers now demand a shopping experience that seamlessly integrates these two modes of retail.

As owners of conventional stores move to set up online platforms, e-commerce players are similarly moving to establish shopfronts where customers can experience their products. In the near future, many businesses would allow customers to collect their online orders at the store, or experience a product at the showroom before having it delivered to his or her home.

This is, of course, just the tip of the iceberg.

Technologies such as artificial intelligence and big data analytics are already transforming the shopping experience and allowing retailers to deliver more personalised services. Meanwhile, Virtual and

Augmented Reality have only just started to enter the scene. The future of retail is without doubt going to be immensely exciting.

“ In line with the objectives of the Retail Industry Transformation Map, SRA has undertaken a series of measures to help our members innovate and leverage technology to bolster competitiveness. ”

In a demonstration of our commitment to help the local retail players attain greater levels of productivity and growth, SRA embarked on the Local Enterprise and Association Development Plus (LEAD+) programme in 2017. Administered by SPRING Singapore and IE Singapore, LEAD+ will allow SRA to roll out more initiatives that can benefit its members.

One of our key initiatives in 2017 that highlighted this focus on tech adoption was the GoSpree app. Aimed at attracting young tech-savvy shoppers to the Great Singapore Sale, the app created a new virtual dimension for the annual shopping extravaganza and proved to be a successful tool in boosting sales and driving engagement.

Thanks to GoSpree and other factors such as online marketing efforts and an improved economy in the second half of 2017, retail sales during the GSS 2017 period – specifically the months of June, July and August – saw a marked increase from the previous year.

This new app will be just one of the many ways SRA aims to help its members evolve and excel in this new business landscape. Apart from digital-based initiatives, the association will also be providing its retailers with greater support through workshops, seminars, overseas study trips and incentives.

I would like to sincerely thank SRA members for participating in the various surveys the association conducted earlier this year. Your valuable feedback will certainly be instrumental in helping us serve you better.

Your strong support for the association through the years is also greatly appreciated, and it has been a great honour for us to be the voice of Singapore's retailers.

MR R DHINAKARAN
PRESIDENT

COUNCIL MEMBERS

PRESIDENT



R DHINAKARAN
Managing Director,
Jay Gee Enterprises
(Pte) Ltd

VICE PRESIDENT



WONG SIOE HONG
Executive Chairman,
Metro (Pte) Ltd

VICE PRESIDENT



CHRISTOPHE CANN
Group CEO, Asia,
Robinson & Co
(Singapore) Pte Ltd

HON. SECRETARY



HELEN KHOO
Executive Director,
Wing Tai Retail
Pte Ltd

HON. TREASURER



GAN SIOE HOON
Vice President,
Retail & Channel
Sales, Consumer
Singapore, Singtel

COUNCILLORS



JOCELYN TEO
COO,
Operations
& Marketing
C.K. Tang Ltd



MARK HERBERT
CEO, Cold Storage
Singapore (1983)
Pte Ltd
/ Dairy Farm Group



JEREMY TAYLOR
Managing Director,
Stevetay Pte Ltd
(Cash Converters)



GERRY LEE
Deputy CEO and
Head of Channels,
NTUC FairPrice
Co-operative Ltd



CHARLIE TEO
Managing Director,
OSIM
International Pte Ltd



**KENNETH
ARULDOOSS**
Managing Director,
Asia, Pertama
Merchandising Pte
Ltd / Harvey Norman



KENNY CHAN
Group Managing
Director,
The Hour Glass Ltd



**DOUGLAS
BENJAMIN**
Group COO,
FJ Benjamin
Holdings Ltd



MAVE GOH
Store Director,
Decathlon Singapore



**TOTAL MEMBER
COUNT**

254

(As of
30 September 2017)

2017 HIGHLIGHTS

2016

November 17

**SRA Excellent Service Award
2016 Presentation Ceremony**

December (to March 2017)

**SRA Achievement in Customer
Service (SRA ACE) Cycle 3**

2017

March 29

Extraordinary General Meeting



July 21

SRA 25th Annual Golf Tournament



September 8

**Singapore
Retail Industry
Conference,
announcement
of LEAD+**



November 17

**STP SME Retailers at
HR Capability Workshop**



June 9

**Official Launch of
Great Singapore Sale 2017**

July (to September)

**SRA Achievement in Customer
Service (SRA ACE) Cycle 4**



September 29

**SRA Ball &
Retail Awards**

**Launch of
Singapore
Golden
Week 2017**



ACHIEVEMENTS IN 2017

RETAIL INDUSTRY TRANSFORMATION MAP

On 15 September 2016, the launch of the Retail Industry Transformation Map by Minister for Trade and Industry (Industry) S Iswaran signalled the start of the retail industry's transformative journey. The roadmap aims to create a vibrant retail industry that comprises highly productive retailers and local brand owners that have gone global.

SRA took the lead in this process by holding the "Getting Ahead In The Digital Age Conference" in March 2017 to show how retailers can transform themselves and capitalise on the opportunities present in today's business environment. Later that year, the association made good on its promise to champion technology adoption in the retail sector with the GoSpree App that provided shoppers with exclusive discounts during the Great Singapore Sale 2017 period.

The association also conducted training and workshop sessions including the DHL Omni Channel eCommerce Retail Logistics for SMEs MasterClass and the SRA eCommerce Accelerator Programme For SMEs which imparted knowledge on e-commerce strategy planning, cyber security, eMarketplaces, logistics and order fulfilment.

Another notable event held by SRA was the Singapore Retail Industry Conference on 8 September which was attended by more than 200 professionals. During this event, SRA revealed that it had applied for the Local Enterprise and Association Development Plus Programme (LEAD+) which gives it the mandate to better champion the mass adoption of transformative technologies in the retail industry for two years.



ACHIEVEMENTS IN 2017

INDUSTRY RETAIL EVENTS

The Great Singapore Sale 2017 which spanned from 9 June to 13 August was a huge success, as evidenced by the following achievements: an increase in the national retail sales index during the festival period, a record \$4.1 million worth of media coverage by news agencies in countries including Singapore, China, Indonesia, Japan, Korea and even Russia, and the successful introduction of a new digital dimension to the GSS - the GoSpree app.

The app, which can be downloaded for free from the Apple Store and Google Play Store, featured promotions from 330 retailers, many of which were exclusive, and over \$500,000 worth of e-coupons that helped to drive store traffic and sales. This milestone achievement was made possible with the strong support of Singapore Tourism Board, Singapore Press Holdings and financial services corporation UnionPay, which was GoSpree's Official Payment Card.

UnionPay was also the Official Payment Card for Singapore Golden Week 2017, a retail event targeted at Chinese tourists that took place from 28 September to 15 October 2017. Organised by SRA, this second edition of Singapore Golden Week saw a year-on-year increase in retail sales and support from retailers in the form of exclusive deals, limousine rides and lucky draw prizes worth over \$25,000.



ACHIEVEMENTS IN 2017

PRESENTATION CEREMONY

Wednesday, 15 November 2017

Guest of Honour:

Ms Sim Ann, Senior Minister of State,

Ministry of Culture, Community and Youth and Ministry of Trade and Industry



EXCELLENT SERVICE AWARD 2017 PRESENTATION CEREMONY

Wednesday, 15 November 2017

Guest of Honour:

Ms Sim Ann, Senior Minister of State,

Ministry of Culture, Community and Youth and Ministry of Trade and Industry



“ I have every confidence that with SRA continuing its good work in driving industry transformation, combined with the efforts of our retail professionals, we will be in a position of strength to take the retail industry through its next stage of progress and transformation. ”

Ms Sim Ann, Senior Minister of State, Ministry of Culture, Community and Youth and Ministry of Trade and Industry

TRAINING AND RECOGNITION

Learning is a lifelong journey, and this must be the mindset for retailers if they are to stay ahead of the curve and be ever-ready to tackle new challenges. As such, SRA regularly holds training sessions – both customised and public courses – to help our members.

Another contributing factor to service excellence is recognition. SRA takes this very seriously, which is why we launched the SRA Achievement in Customer Experience (ACE) Programme in December 2015. As the nation's first omni-channel mystery shopping programme for the retail industry, ACE sets the benchmark for excellence in service delivery.

Another programme that recognises outstanding performers in this area is

the Excellent Service Award (EXSA) which was established in 1994. Supported by SPRING Singapore and managed by SRA and six other industry lead bodies, EXSA received 3,800 nominations for its annual awards last year.

During the awards presentation ceremony at Kallang Theatre on 15 and 16 November 2017, SRA presented a record number of 3,414 accolades to retail professionals from 122 companies. The number of awards given out last year marked a 17% increase from 2016, a clear indication of the continued emphasis that retailers have on quality customer service.

Guest of Honour Ms Sim Ann, Senior Minister of State, Ministry of



Culture, Community and Youth and Ministry of Trade and Industry kicked off the proceedings by presenting the day's top gong – the SRA Platinum ACE Award 2017 – to retailers who have consistently excelled in service performance across different touch points such as store outlets, customer service emails, store telephone lines, company websites as well as social media engagement.

The winners in this category included Robinson & Co. (Singapore) Pte Ltd, Atlas Sound & Vision Pte Ltd, Cortina Watch Pte Ltd and Estee Lauder Cosmetics Pte Ltd.

ACHIEVEMENTS IN 2017

MEMBERS AND INDUSTRY ENGAGEMENT EVENTS

SRA believes that keeping in close contact with our members through various activities will help us to better understand their concerns and the situation on the ground.

On 21 July 2017, SRA held a golf tournament at Sembawang Country Club that saw 144 businessmen pit their skills against each other while networking amid a backdrop of beautiful clear skies.

The biggest event of the year was the SRA Ball and Retail Awards on 29 September 2017 where Ms Sim Ann, Senior Minister of State, Ministry of Culture, Community and Youth and Ministry of Trade and Industry, encouraged retailers to embrace the transformation of the industry.

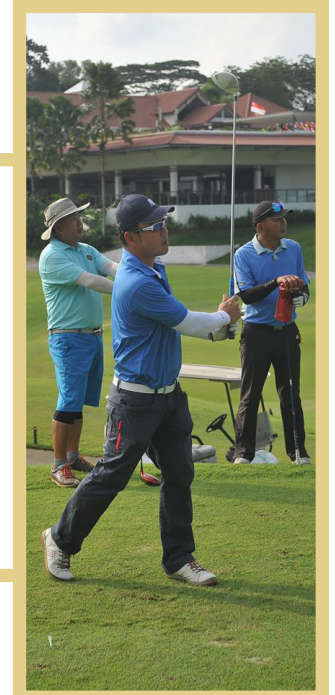
Later that night, veteran tailor Thomas Wong walked away with the title of Best New Entrant of the Year while Victoria's Secret at Mandarin Gallery was lauded as the Best Retail Concept of the Year.

Other winners include: Changi Airport's Pokemon theme

(Best Retail Event of the Year), ION Orchard (Best Efforts in Corporate Social Responsibility), Mr Denesh Kumar Sreetharam, Operations Manager, Cold Storage (Manager of the Year), Mr Vinay Kumar Khunger, Technical Manager, Singtel Shop Comcentre (Young Executive of the Year), Parkway Parade (Best Efforts in Centre Management) and Plaza Singapura (Best Efforts in Advertising & Promotion).

SRA also regularly engages various educational institutions in the country as part of the SME Talent Programme (STP) which was launched in 2013 by SPRING Singapore to help businesses attract young talent.

As one of the partners for this initiative, SRA is responsible for assessing the SMEs that sign up for the STP and matching candidates with companies. The association had as of 30 November 2016 helped 43 students find job positions within SMEs as well as facilitated 250 internships which feature structured learning objectives aligned to SkillsFuture Enhanced Internship guidelines.



MOVING FORWARD

While 2017 was an eventful year that was defined by the setting of new records and a change in leadership roles at SRA, the association envisages that 2018 will be filled with even more exciting developments.

Looking out for our small and medium-sized enterprises (SMEs) has always been a priority, and it will be no different this year. One of the association's main objectives this year is to facilitate the mass adoption of three recommended tech solutions by 200 retailers, half of which would be SMEs. Other goals include attracting 150 new SRA members and 200 GoSpree merchants. Again, a significant portion of these new entrants would be SMEs.

SRA has wasted little time in getting started with efforts to help our members this year. As part of our LEAD+ journey, 34 delegates went on a study trip to Retail's Big Show, the flagship industry event of the National Retail Federation in the United States that took place from 12 to 21 January 2018.

Held in New York, this mega trade event featured tens of thousands of retailers from around the world and allowed SRA members to expand their networks and learn from their international counterparts. Store visits were also organised to help members learn from the leaders of the pack in retail technology.

In a similar vein, SRA will also be looking to help local retailers expand beyond Singapore and gain new ground in foreign countries.

Another part of the association's plans for the year involves the upgrading of our digital assets. By the second half of this year, members will have access to an improved association website that makes it easier to contact the SRA Secretariat and register for training courses, workshops and events.

The new site will also feature a members-only portal that will facilitate communication with fellow members and the public. SRA members can expect to receive exclusive access to valuable market reports and retail insights through this portal.

Despite its initial success, the GoSpree app will undergo further augmentation. On the consumer front, shoppers will be able to redeem e-coupons with greater ease while experiencing a smoother, more intuitive user experience. The upgraded app will also provide merchants with greater insights into customer behaviour through data analytics.



SRA is committed to providing our esteemed members with value-added services and being the representative voice for retailers in the nation. As such, we will be dedicating more time to gathering feedback. This year, we have already launched three surveys - the Members Expectations Survey, the Members Satisfaction Survey and the Retail Tech Feasibility Survey - which have yielded valuable information regarding how we can improve our operations and better help our members with the adoption of technologies.

Last but not least, the association will be looking to establish partnerships with more institutions to widen our repertoire of training programmes so that there are courses relevant to every stage of the industry transformation process.

LIST OF MEMBERS

ORDINARY

Abiraame Jewellers
 ABR Holdings Limited
 Active World Pte Ltd
 adidas Singapore Pte Ltd
 Alreimis Creations
 Amorepacific Singapore Pte Ltd
 Aryan (SEA) Pte Ltd
 Aspial-Lee Hwa Jewellery Pte Ltd
 Asterspring International (S) Pte Ltd
 Atlas Sound & Vision Pte Ltd
 Audio House Marketing Pte Ltd
 Autobacs Venture Singapore Pte Ltd
 Awareness Enterprise Pte Ltd
 Bally Singapore Pte Ltd
 Bata Shoe (S) Pte Ltd
 Bee Cheng Hiang Hup Chong
 Foodstuff Pte Ltd
 Benjamin Barker Aust Pte Ltd
 BHG (Singapore) Pte Ltd
 Big Retail Group Pte Ltd
 Bodywork Concepts Pte Ltd
 Bottega Veneta Singapore Pte Ltd
 BQ Mart International Pte Ltd
 BTC Clothier (S) Pte Ltd
 Bulgari South Asian Operations Pte Ltd
 C.K. Tang Limited
 Calbee Moh Seng Pte Ltd
 Chan Huat Electric Pte Ltd
 Chanel Pte Limited
 Charles & Keith (Singapore) Pte Ltd
 Chomel Pte Ltd
 Citrusox Pte Ltd
 Citylong Group Pte Ltd
 Club 21 Pte Ltd
 Coach Singapore Pte Ltd
 Cold Storage Singapore (1983)
 Pte Ltd / Dairy Farm Group
 Commune Lifestyle Pte Ltd
 Cortina Watch Pte Ltd
 Courts (Singapore) Pte Ltd
 Crabtree & Evelyn (Singapore) Pte Ltd
 Cristofori Music Pte Ltd
 Crocs Singapore Pte Ltd
 Decathlon Singapore Pte Ltd
 Dejewel Galleria Pte Ltd
 Delasas Pte Ltd
 Delphin Singapore Pte Ltd
 DFS Venture Singapore (Pte) Ltd
 Diabetic Specialities Pte Ltd
 Eastern Carpets
 ECCO Shoes Singapore Pte Ltd

Eu Yan Sang (Singapore) Pte Ltd
 F J Benjamin (Singapore) Pte Ltd
 Far East Flora Pte Ltd
 Fefco Fine Furniture (S) Pte Ltd
 Georg Jensen (S) Pte Ltd
 Gift Time Pte Ltd
 Glajz-THG Pte Ltd
 GSM Trading (S) Pty Ltd
 H Sena (Pte) Ltd
 Hansgrohe Pte Ltd
 Hassan s Carpets Pte Ltd
 Her Velvet Vase Pte Ltd
 Hilding Anders Singapore Pte Ltd
 Ikano Private Limited
 iMattress
 INLINEX PTE LTD
 Invade Industry Pte Ltd
 Isetan (Singapore) Limited
 Island Landscape & Nursery Pte Ltd
 J&R Bossini Fashion Pte Ltd
 Jay Gee Enterprises (Pte) Ltd
 Jewels Galleria Pte Ltd
 JT Network Pte Ltd
 Kiddy Palace Pte Ltd
 Komoco Motorcycles Pte. Ltd
 Kwanpen Reptile Products
 Lagardere Singapore Pte Ltd
 Larry Jewelry (1967) Pte Ltd
 Lazada Singapore Pte Ltd
 Lianbee-Jeco Pte Ltd
 Link Millennium Pte Ltd
 Liuligongfang (S) Pte Ltd
 Lladro Singapore Pte Ltd
 Longchamp Singapore Pte Ltd
 Luxasia Pte Ltd
 Luxury Ventures Pte Ltd
 LVMH Watch & Jewellery
 S'pore Pte Ltd
 M1 Limited
 Marquis Furniture Gallery Pte Ltd
 Metro (Private) Limited
 Miele Pte Ltd
 Milan Shoes
 Miniso SG Pte Ltd
 Mister Minit Singapore Pte. Ltd.
 MJ Invest Pte Ltd
 Moda Pacifica Pte Ltd
 Mohamed Mustafa & Samsuddin
 Co. Pte Ltd
 Mothercare (S) Pte Ltd
 Mt Sapola (s) Pte Ltd
 Muji (Singapore) Pte Ltd

Nanjya Monjya Waterfront
 Nature's Farm Pte Ltd
 New Balance Singapore Pte Ltd
 Nike Singapore Pte Ltd
 NTUC FairPrice Co-operative Ltd
 NTUC Unity Healthcare
 Co-operative Limited
 Ocean Paradise Pte Ltd
 Ode to Art Pte Ltd
 OG Private Limited
 On Cheong Co Pte Ltd
 Onsen Retreat and SPA (Singapore)
 Pte Ltd
 OSIM International Ltd
 Osmose Pte Ltd
 Pandora Jewelry Singapore Pte Ltd
 Pan-West (Private) Limited
 Paris Bijoux Manufacturing (S) Pte Ltd
 Parisilk Electronics & Computers
 Pte Ltd
 Parlour Group Pte Ltd
 Pertama Merchandising Pte Ltd /
 Harvey Norman
 Pinedale Trading Pte Ltd
 Poh Heng Jewellery (Private) Limited
 Poker Manic
 Popular Book Co (Pte) Ltd
 Praxis Pte Ltd
 Puma Sports SEA Trading Pte Ltd
 Pure Senses Pte Ltd
 PVH Singapore Private Limited
 Ram Pacific Pte Ltd
 Richard Hung Jewellers (Pte) Ltd
 Risis Pte Ltd
 Robinson & Co (S) Pte Ltd
 Royal Selangor (S) Pte Ltd
 RSH Limited
 Sa Sa Cosmetic Co. (S) Pte Ltd
 Scube Gift Pte Ltd
 Sealy Asia (S) Pte Ltd
 Shopping Bag (S) Pte Ltd
 Simmons (Southeast Asia) Pte Ltd
 Sincere Watch Limited
 Stargek Private Limited
 StarHub Limited
 Stevetay Pte Ltd
 Sunrise & Co. (Pte) Ltd
 SUTL Sports Retailing Pte Ltd
 Swan Jewelry Pte Ltd
 Swarovski Singapore Trading Pte Ltd
 Takashimaya Singapore Limited
 Telecom Equipment Pte Ltd

LIST OF MEMBERS

Tempur Singapore Pte Ltd
The Body Shop (S) Pte Ltd
The Hour Glass Limited
The Mattress Centre (S) Pte Ltd
The Planet Traveller
The Swatch Group S.E.A. (S) Pte Ltd
The Wallet Shop
Times The Bookshop Pte Ltd
ToTT Store
Toys R Us (Singapore) Pte Ltd
Transmarco Concepts Pte Ltd
Ultimate Drive Eurosports Pte Ltd
VF Brands Pte. Ltd.
Vision Lab Eyewear Premium Pte Ltd
Watsons Personal Care Stores Pte Ltd
Wing Tai Retail Pte Ltd
Yamaha Music (Asia) Pte Ltd
Yue Hwa Chinese Products Pte Ltd
Yuen Loong Watch

ASSOCIATE

A.S. Louken Group Pte Ltd
American Express International Inc.
APL Logistics Ltd
Ascend Com Pte Ltd
AXS Pte Ltd
Bgroup SG Pte Ltd
Bizgram Asia Pte Ltd
Brand Alliance
British American Tobacco Sales & Marketing Singapore Pte Ltd
Campbell Soup Southeast Asia Sdn. Bhd. (Singapore Branch)
CapitaMalls Asia Limited
Cartesian Consulting Pte Ltd
Changi Airport Group (S) Pte Ltd
Choicecycle CCTV Pte Ltd
Cityneon Creations Pte Ltd
Cushman & Wakefield (S) Pte Ltd
Eldric Marketing Pte Ltd
Elvee Globe Trade Pte Ltd
Estee Lauder Cosmetics Pte Ltd
EZ-Link Pte Ltd
Far East Management Pte Ltd
Frasers Centrepoint Limited
GlaxoSmithKline Pte Ltd
Global Blue Singapore Pte Ltd
Global Payments Asia-Pacific (Hong Kong Holding) Limited
Hanwell Holdings Limited
Hongkong Land (Singapore) Pte Ltd

HSBC Institutional Trust Services (S) Ltd as Trustee of Suntec REIT
IDC Asia Pacific
ISG Asia (Singapore) Pte Ltd
ITC Cold Chain Logistics Pte Ltd
ITE College West
JessLee Shoes Pte. Ltd
Jewel Changi Airport Devt Pte. Ltd.
JMD Pacific Pte Ltd
JT International Tobacco Services (Singapore) Pte Ltd
Jun Yi Enterprise Pte Ltd
Keppel Land Limited
KFC Management Pte Ltd /
Pizza Hut (S) Pte Ltd
Kingsmen Projects Pte Ltd
Knight Frank Pte Ltd
KPMG Services Pte Ltd
L'OREAL Singapore Pte Ltd
Logwin Air Ocean Singapore Pte Ltd
Marina Bay Sands Pte Ltd
Marina Centre Holdings Pte Ltd
MasterCard Asia/Pacific Pte Ltd
MEPO Concept Pte Ltd
Modern ART International
Nanyang Polytechnic
NEC Asia Pacific Pte Ltd
Nestle Singapore (Pte) Ltd
NETS
Orchard Turn Developments Pte Ltd
OUB Centre Limited
Philip Morris Singapore Pte Ltd
Premier Tax Free Fintrax Payments (Asia) Pte Ltd
Procter & Gamble (S) Pte Ltd
Raffles Merchandising School
Richfield Derma Pte Ltd
RSM Chio Lim Stone Forest
Science Arts Co. Pte Ltd
Sentosa Leisure Management Pte Ltd
Singapore Hobby Supplies Pte Ltd
Singapore Polytechnic
Singapore Post Limited
Singapore Press Holdings Ltd
Singapore Zoological Gardens
SPH Retail Property Management Services Pte Ltd
Stor(age) Pte Ltd
Subway Singapore Development Pte Ltd
Swee Cheng Management Pte Ltd
The Experts Group Pte Ltd
The Furniture Mall Pte Ltd

The Management Corporation Strata Title Plan No. 651
Tip Top Consultants (Pte) Ltd
Toa Electronics Pte Ltd
Tohtonku (S) Pte Ltd
Tourego Pte Ltd
TUN Events
Unilever Singapore Private Limited
Unionpay International Co Ltd
Vedure Pte Ltd
Venus Beauty Pte Ltd
YTL Starhill Global Property Management Pte Ltd

AFFILIATE

Edenred Pte Ltd
Globus Stores Private Limited
International Customer Loyalty Programmes (A.P.) Pte Ltd

TOTAL MEMBER COUNT: 254

(As of 30 September 2017)

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

STATEMENT BY COUNCIL MEMBERS

In our opinion, the accompanying financial statements set out on pages 13 to 30 are properly drawn up in accordance with the books and vouchers of Singapore Retailers Association (“the association”) and of the group, and Singapore Financial Reporting Standards, and so as to give a true and fair view of the state of affairs of the group and of the association as at 30 September 2017, and the results, changes in funds of the group and of the association and cash flows of the group for the financial year ended on that date.

On behalf of the Council Members,



R. DHINAKARAN
President



GAN SIOK HOON
Honorary Treasurer

12 March 2018
Singapore

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE RETAILERS ASSOCIATION

(Registration No: S77SS0005G)

(Registered under the Societies Act, Chapter 311, Singapore)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Singapore Retailers Association (“the association”) and its subsidiary (collectively “the group”), which comprise the balance sheets of the group and the association as at 30 September 2017, the statement of comprehensive income of the group, statements of changes in fund of the group and the association and statement of cash flows of the group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Chapter 311 and Companies Act, Chapter 50 (collectively the “Acts”) and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs the group and the association as at 30 September 2017 and the results and changes in fund of the group and the association and cash flows of the group for the year ended on that date.

Basis of 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

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

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing the association's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

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 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'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 those charged with governance 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

Opinion

In our opinion, the accounting and other records required by the Regulations enacted under the respective Acts to be kept by the association and the subsidiary company, incorporated in the Republic of Singapore, of which we are the auditors, have been properly kept in accordance with those Regulations.



JH TAN & ASSOCIATES
Public Accountants and
Chartered Accountants Singapore

12 March 2018
Singapore

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

	NOTE	THE GROUP 2017 \$	2016 \$	THE ASSOCIATION 2017 \$	2016 \$
Income: -					
Course fees, net		332,938	515,234	59,915	85,420
Subscription and entrance fees, net		199,695	207,019	200,445	207,769
Surplus from seminars and events, net	4	725,190	839,484	728,760	776,004
Commission income		11,436	63,061	-	-
Bank interest income		655	768	655	768
Other income	5	73,661	180,142	63,205	121,356
		1,343,575	1,805,708	1,052,980	1,191,317
Less: Expenses: -					
Advertisement		1,392	45,327	1,392	34,767
Allowance for credit losses	10	12,915	-	12,915	-
Audit fees		5,900	5,900	5,900	5,900
Bad debts written off, trade		400	10,986	-	10,986
Bank charges		1,051	1,358	470	679
Course development		15,195	41,397	-	-
Course expenses		135,098	294,327	-	-
Depreciation of fixed assets	8	116,259	119,429	77,353	74,240
Donation		-	600	-	600
Employee costs	6	918,046	897,520	774,692	708,771
Exchange difference, net		2,205	(372)	-	-
Exhibition and meeting expenses		6,444	5,261	6,427	5,210
Gifts and entertainment		1,721	8,712	1,308	8,237
Insurance		3,920	3,488	1,467	832
Interest on term loan		70,142	72,688	70,142	72,688
Miscellaneous expenses		3,836	3,676	3,361	2,607
Printing and stationery		12,175	10,337	11,460	8,746
Professional fee		5,601	5,050	600	-
Property tax		15,690	16,966	15,690	16,966
Repairs and maintenance		28,623	33,055	28,093	32,231
Secretarial fee		8,310	6,800	5,850	5,000
Sponsorships		-	730	-	-
Tele-communication		5,039	6,096	4,269	4,570
Transport and travelling		3,213	5,446	2,343	1,372
Utilities		2,128	2,065	1,256	1,158
		(47,313)	(54,192)	(41,811)	(44,331)
		(1,375,303)	(1,596,842)	(1,024,988)	(995,560)
(Loss)/profit before taxation		(31,728)	208,866	27,992	195,757
Taxation	7	(5,258)	(11,500)	(5,258)	(11,500)
(Loss)/profit after taxation		(36,986)	197,366	22,734	184,257
Other comprehensive income for the year, net of taxation		-	-	-	-
Total comprehensive (loss)/income for the year		(36,986)	197,366	22,734	184,257
Total comprehensive (loss)/income attributable to: Owners of the parent		(36,986)	197,366	22,734	184,257

The accompanying notes on pages 16 to 30 form an integral part of the financial statements.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

BALANCE SHEETS AS AT 30 SEPTEMBER 2017

	NOTE	THE GROUP		THE ASSOCIATION	
		2017	2016	2017	2016
		\$	\$	\$	\$
Non-current assets					
Fixed assets	8	5,868,351	5,965,719	5,850,852	5,909,314
Investment in subsidiary company	9	-	-	43,400	43,400
		5,868,351	5,965,719	5,894,252	5,952,714
Current assets					
Trade and other receivables	10	1,316,614	990,136	1,269,042	957,289
Cash and cash equivalents	11	1,106,140	1,648,234	1,059,351	1,421,565
		2,422,754	2,638,370	2,328,393	2,378,854
Total assets		8,291,105	8,604,089	8,222,645	8,331,568
<i>Represented by:</i>					
Accumulated fund		3,999,946	4,036,932	4,203,071	4,180,337
Non-current liabilities					
Deferred income	12	40	11,085	-	-
Term loan	13	2,774,316	2,858,644	2,774,316	2,858,644
		2,774,356	2,869,729	2,774,316	2,858,644
Current liabilities					
Trade payable, other payables & advance income	14	1,222,692	1,356,524	1,155,046	1,185,699
Deferred income	12	203,899	234,016	-	-
Term loan	13	84,212	95,388	84,212	95,388
Provision for taxation	7	6,000	11,500	6,000	11,500
		1,516,803	1,697,428	1,245,258	1,292,587
Total fund and liabilities		8,291,105	8,604,089	8,222,645	8,331,568

STATEMENTS OF CHANGES IN FUND FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

THE GROUP	ACCUMULATED FUND
	\$
Balance as at 1 October 2015	3,839,566
Total comprehensive income for the year	197,366
Balance as at 30 September 2016	4,036,932
Total comprehensive loss for the year	(36,986)
Balance as at 30 September 2017	3,999,946

THE ASSOCIATION	ACCUMULATED FUND
	\$
Balance as at 1 October 2015	3,996,080
Total comprehensive income for the year	184,257
Balance as at 30 September 2016	4,180,337
Total comprehensive income for the year	22,734
Balance as at 30 September 2017	4,203,071

The accompanying notes on pages 16 to 30 form an integral part of the financial statements.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

THE GROUP	2017 \$	2016 \$
Cash flows from operating activities		
(Loss)/profit before taxation	(31,728)	208,866
Adjustments for: -		
Allowance for credit losses	12,915	-
Bad debts written off, trade	400	10,986
Depreciation for fixed assets	116,259	119,429
Bank interest income	(655)	(768)
Interest on term loan	70,142	72,688
Reversal of allowance for credit losses	-	(13,966)
Operating profit before working capital changes	167,333	397,235
Changes in working capital: -		
Trade and other receivables	(339,793)	(495,991)
Trade payables, other payables and advance income	(133,832)	326,570
Deferred income	(41,162)	(90,443)
	(514,787)	(259,864)
Cash (used in)/generated from operations	(347,454)	137,371
Interest received	655	768
Taxation paid	(10,758)	-
Net cash (used in)/generated from operating activities	(357,557)	138,139
Cash flows from investing activity		
Purchase of fixed assets, being net cash used in investing activity	(18,891)	(38,474)
Cash flows from financing activity		
Repayment of term loan, being net cash used in financing	(165,646)	(165,645)
Net decrease in cash and cash equivalents	(542,094)	(65,980)
Cash and cash equivalents at beginning of the year	1,648,234	1,714,214
Cash and cash equivalents at end of the year (Note 11)	1,106,140	1,648,234

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

1) GENERAL

The association is registered and domiciled in the Republic of Singapore. The registered office is situated at 1 Coleman Street #15-11B, Singapore 179803. The principal activities of the association and its subsidiary company relate to the protection, promotion and advancement of interests of retailers in Singapore.

The financial statements of the group and the association for the financial year ended 30 September 2017 were authorised for issue in accordance with the Council Members' resolution in writing on 12 March 2018.

2) MANAGEMENT OF THE ASSOCIATION'S AFFAIRS

The association's affairs in relation to the protection, promotion and advancement of interests of retailers are managed by Council Members.

3) SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") as required by the Societies Act for the association and Companies Act, Cap. 50 for its subsidiary company.

The group has not applied FRS and Interpretations of FRS (INT FRS) that have been issued but are not yet effective as at the financial year end. The Council Members are of opinion that the initial application of these FRS and INT FRS is not expected to have any significant impact on the financial statements.

The consolidated financial statements are prepared and presented in Singapore dollar, which is the group and association's functional currency. The financial statements are prepared in accordance with the historical cost convention except as disclosed in the accounting policies below.

The preparation of these financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities, if any, at the financial year end and the reported amounts of income and expenses during the financial year. Although these estimates are based on the Council Members' best knowledge of current events and actions, actual results may ultimately differ from these estimates. There were no significant judgments and estimates made during the financial year, except as disclosed in the notes to the financial statements.

b) Functional and foreign currency

Functional currency

The management has determined that the Singapore dollar ("S\$") is the group and the company's functional currency, being the currency of the primary economic environment in which the association operates. Revenue and major operating expenses are primarily influenced by fluctuations in Singapore dollar.

Foreign currency transactions

Transactions in currencies other than in Singapore dollar are treated as transactions in foreign currencies and recorded at exchange rates approximating those ruling on the transaction dates. Foreign currency monetary assets and liabilities are translated into local currency at year-end exchange rates. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transactions dates or, in the case of items carried at fair value, the exchange rates that existed when the values were determined. All exchange differences arising from conversion are included in the statement of comprehensive income.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

c) Subsidiary and basis of consolidation

i) Subsidiary company

Subsidiary companies are entities controlled by the group. The group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

Changes in the association's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the association.

Investments in subsidiary companies are stated in the association's balance sheet at cost less accumulated impairment losses. An assessment of investments in subsidiary companies is performed when there are indications that the investments have been impaired or the impairment losses recognised in prior years no longer exist.

ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the association and its subsidiary as at the financial year end. The financial statements of the subsidiary are prepared for the same reporting date as the association. Consistent accounting policies are applied for like transactions and events in similar circumstances.

All intra-company balances, transactions, income and expenses and profits and losses resulting from intra-company transactions are eliminated in full on consolidation.

Subsidiary company is fully consolidated from the date of acquisition, being the date on which the group obtains control, and continues to be consolidated until the date that such control ceases.

Acquisition of subsidiary company is accounted for using the purchase method. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued and liabilities incurred and assumed at the date of exchange, plus cost directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Any excess of the cost of the business combination over the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill.

Any excess of the group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised in the income statement on the date of acquisition.

d) Fixed assets

Fixed assets are stated at cost less accumulated depreciation and any impairment loss.

Depreciation is calculated on the straight line method to write off the cost of fixed assets over their estimated useful lives as follows: -

Computers and software	- 1 year
Furniture, fittings, equipment and renovations	- 3-10 years
Library books and training aids	- 3 years
Freehold office building	- 50 years

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

No depreciation is charged for the land portion of freehold property.

Fully depreciated assets are retained in the financial statements until they are no longer in use and no further charges for depreciation are made in respect to these assets.

Residual values and useful lives of fixed assets, if not insignificant, are assessed on an annual basis.

e) Financial assets

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheets when, and only when, the association becomes a party to the contractual provisions of the financial instruments.

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. The group determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year end.

All purchases and sales of financial assets are recognised or de-recognised on the trade date, that is, the date the group commits to purchase or sell the asset. Purchases and sales of financial assets are determined by the delivery of assets within the period generally established by regulation or convention in the market place concerned.

The group does not have any financial assets at fair value through profit or loss, held-to-maturity investments and available for sale financial assets.

Loans and receivables

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, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the income statement when the loans and receivables are de-recognised or impaired, as well as through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have 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 directly in other comprehensive income is recognised in profit or loss.

f) Financial liabilities

Financial liabilities are recognised on the balance sheets when, and only when, the group becomes a party to the contractual provisions of the financial instrument.

Under FRS 39, financial liabilities are classified into (a) financial liabilities at fair value through profit or loss; and (b) financial liabilities at amortised costs.

Financial liabilities are classified as financial liabilities at fair value through profit or loss if they are incurred for the purpose of short-term repurchasing (held for trading) or designated by management on initial recognition (designated under the fair value option).

The group does not have any financial liabilities at fair value through profit or loss.

Financial liabilities are recognised initially at fair value, plus, in case of financial liabilities other than derivatives, directly attributable transaction costs.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Subsequent to initial recognition, all financial liabilities are measured at amortised cost using the effective interest method, except for derivatives, which are measured at fair value.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or 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 derecognition 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.

g) Impairment of non-financial assets

At each financial year end, the group reviews the carrying amounts of its non-financial assets to determine whether there is any objective evidence that those assets have suffered an impairment loss or whether there is any objective evidence that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If such evidence exists, the recoverable amount of the assets is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less cost to sell.

Where it is not possible to estimate the recoverable amount of an individual asset, the group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss is subsequently reversed, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

h) Impairment of financial assets

The group assesses at each financial year end whether there is any objective evidence that a financial asset is impaired. A financial asset is considered to be impaired if objective evidence indicates that one or more events have had a negative effect on the estimated future cash flows of that asset. Individually significant financial assets are tested for impairment on an individual basis. The remaining financial assets are assessed collectively in groups that share similar characteristics.

Financial assets carried at amortised costs

If there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the assets' carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the income statement.

When the asset becomes uncollectible, the carrying amount of the impaired financial assets 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 value of the financial asset.

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

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

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 the income statement.

i) Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and in hand.

j) Deferred income

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all required conditions will be complied with.

Income related grants are recognised in the income and expenditure statement over the period necessary to match the expenditure incurred or to match the expenditure that they are intended to reimburse.

Where the grant relates to an asset, the fair value is recognised as deferred capital grant on the balance sheet and is amortised to profit or loss over the expected useful life of the relevant asset by equal annual instalments.

k) Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current taxation

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

Deferred taxation

Deferred taxation is provided using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Current enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised for all deductible temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

l) Income recognition

Income is recognised to the extent that economic benefits will flow to the group and the amounts could be reliably measured.

Course fees are recognised over the period in which the course is conducted.

Subscription is recognised on an accrual basis and entrance fees are recognised when membership application is approved.

Income from seminars and events is recognised on an accrual basis.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

m) Operating leases

Group as lessee

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in the income statement on a straight-line basis over the lease term.

n) Employee benefits

The group makes contributions to the Central Provident Fund, a defined pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

o) Related parties

Related parties are defined as follows:

- i) A person or a close member of that person's family is related to the association if that person:
 - a. Has control or joint control over the association;
 - b. Has significant influence over the association; or
 - c. Is a member of the key management personnel of the association or of a parent of the association.
- ii) An entity is related to the association if any of the following conditions applies:
 - a. The entity and the association are members of the same group (which means that each subsidiary and fellow subsidiary is related to the others).
 - b. One entity is an associate or joint venture of the other entity (or an associate or joint venture or a member of a group which the other entity is a member).
 - c. Both entities are joint ventures of the same third party.
 - d. One entity is a joint venture of a third entity and the other entity is an associate of the entity.
 - e. The entity is a post-employment benefit plan for the benefit of employees of either the association or an entity related to the association. If the association is itself such a plan, the sponsor employers are also related to the association.
 - f. The entity is controlled or jointly controlled by a person identified in i);
 - g. A person identified in i) a. has significant influence over the entity

4) SURPLUS FROM SEMINARS AND EVENTS, NET

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Income from seminars and events conducted: -				
Golf tournament	72,550	60,960	72,550	60,960
Industry benchmarking	270,382	344,288	270,382	344,288
National Retail Scholarship	-	1,800	-	1,800
National Retail Grant	-	72,030	-	-
Promotion	602,333	501,667	602,333	501,667
Retailer	-	2,781	-	2,781
Seminars	195,821	89,334	195,821	89,334
SRA ball	307,700	369,319	307,700	369,319
SRIC	57,046	10,557	57,046	10,557
Others	152,056	97,027	155,626	105,577
	1,657,888	1,549,763	1,661,458	1,486,283
Direct expenses	(932,698)	(710,279)	(932,698)	(710,279)
	725,190	839,484	728,760	776,004

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

5) OTHER INCOME

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Grants and contributions recognised	55,449	91,881	14,287	15,534
Rental income	-	-	44,158	44,158
Reversal of credit losses	-	13,966	-	13,966
Sundry income	18,212	74,295	4,760	47,698
	73,661	180,142	63,205	121,356

6) EMPLOYEE COSTS

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries and bonuses	795,764	776,758	674,769	617,743
Employer's CPF contribution	104,091	103,686	82,630	76,549
Staff benefits	18,191	17,076	17,293	14,479
	918,046	897,520	774,692	708,771

Included in employee costs were key management personnel compensation: -

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Salaries and bonuses	210,607	234,972	152,019	164,500
Employer's CPF contribution	24,972	27,994	15,007	16,235
Staff benefits	7,900	7,200	7,900	7,200
	243,479	270,166	174,926	187,935

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

7) INCOME TAXES

a) Taxation

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Current taxation:				
- current year	6,000	11,500	6,000	11,500
- Over provision of taxation in prior year	(742)	-	(742)	-
	5,258	11,500	5,258	11,500

A reconciliation of the tax (benefit)/expense and the product of the results for the year multiplied by the statutory tax rate of 17% (2016: 17%) is as follows:

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
(Loss)/profit before taxation	(31,728)	208,866	27,992	195,757
Tax (benefit)/expense at statutory rate of 17%	(5,394)	35,507	4,759	33,279
Non-deductible expenses	21,082	21,561	16,074	18,339
Non-taxable income	(6,145)	(6,788)	-	-
Approved donation	-	(306)	-	(306)
Stepped income	(10,841)	(11,534)	(10,841)	(11,534)
Tax rebate	(3,997)	(11,434)	(3,997)	(11,434)
Deferred tax assets not recognised	11,290	1,338	-	-
Utilisation of deferred tax assets previously not recognised	-	(16,911)	-	(16,911)
Others	5	67	5	67
	6,000	11,500	6,000	11,500
Over provision of taxation in prior year	(742)	-	(742)	-
	5,258	11,500	5,258	11,500

b) Movements in provision for taxation

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
At beginning of the year	11,500	-	11,500	-
Income tax paid	(10,758)	-	(10,758)	-
Current year taxation	6,000	11,500	6,000	11,500
Over provision of taxation in prior year	(742)	-	(742)	-
At end of the year	6,000	11,500	6,000	11,500

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

8) FIXED ASSETS

THE GROUP	FREEHOLD OFFICE PROPERTY \$	COMPUTERS & SOFTWARE \$	FURNITURE, FITTINGS, EQUIPMENT & RENOVATIONS \$	LIBRARY BOOKS & TRAINING AIDS \$	TOTAL
Cost: -					
As at 1 October 1 2015	5,885,546	23,411	236,536	-	6,145,493
Additions	-	24,695	*13,779	-	38,474
Disposals / write offs	-	-	-	-	-
As at 30 September 2016	5,885,546	48,106	250,315	-	6,183,967
Additions	-	11,904	*6,147	840	18,891
Disposals / write offs	-	(23,410)	(18,435)	-	(41,845)
As at 30 September 2017	5,885,546	36,600	238,027	840	6,161,013
Accumulated depreciation: -					
As at 1 October 2015	34,332	21,313	43,174	-	98,819
Charge for the year	58,856	17,958	@42,615	-	119,429
Disposals / write offs	-	-	-	-	-
As at 30 September 2016	93,188	39,271	85,789	-	218,248
Charge for the year	58,855	12,803	@44,321	280	116,259
Disposals / write offs	-	(23,410)	(18,435)	-	(41,845)
As at 30 September 2017	152,043	28,664	111,675	280	292,662
Net carrying amount:					
As at 30 September 2017	5,733,503	7,936	126,352	560	5,868,351
As at 30 September 2016	5,792,358	8,835	164,526	-	5,965,719

Freehold office property is held in trust for the group by Jannie Chan Siew Lee (Ex-President) and Wong Sioe Hong nee Ong (Vice-President). The property is mortgaged to bank as security for term loan granted (Note 13).

* Addition to furniture, fittings, equipment and renovations include assets of \$Nil (2016: \$ 1,467) funded by grants received from the Ministry of Trade and Industry ("MTI") (Note 12b).

@ The depreciation charge on furniture, fittings, equipment and renovations includes \$25,967 (2016: \$26,236) funded by the MTI grants.

THE ASSOCIATION	FREEHOLD OFFICE PROPERTY \$	COMPUTERS & SOFTWARE \$	FURNITURE, FITTINGS, EQUIPMENT & RENOVATIONS \$	LIBRARY BOOKS & TRAINING AIDS \$	TOTAL
Cost: -					
As at 1 October 2015 and 30 September 2016	5,885,546	1,730	140,736	-	6,028,012
Additions	-	11,904	6,147	840	18,891
Disposals / write offs	-	(1,730)	-	-	(1,730)
As at 30 September 2017	5,885,546	11,904	146,883	840	6,045,173
Accumulated depreciation: -					
As at 1 October 2015	34,332	930	9,196	-	44,458
Charge for the year	58,856	800	14,584	-	74,240
Disposals / write offs	-	-	-	-	-
As at 30 September 2016	93,188	1,730	23,780	-	118,698
Charge for the year	58,855	3,968	14,250	280	77,353
Disposals / write offs	-	(1,730)	-	-	(1,730)
As at 30 September 2017	152,043	3,968	38,030	280	194,321
Net carrying amount:					
As at 30 September 2017	5,733,503	7,936	108,853	560	5,850,852
As at 30 September 2016	5,792,358	-	116,956	-	5,909,314

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

9) INVESTMENT IN SUBSIDIARY COMPANY

	THE ASSOCIATION	
	2017	2016
	\$	\$
Unquoted equity shares, at cost	43,400	43,400

The association's subsidiary company is The Retail Academy of Singapore Pte Ltd ("TRAS"), a company incorporated and domiciled in the Republic of Singapore. At the financial year end, the association has an equity interest of 100% (2016: 100%) in TRAS.

The principal activities of TRAS are relate to the provision of training and related information services to the retail industry and to businesses supporting the retail industry.

The investment in TRAS is held in trust by certain Council Members of the association.

Financial statements of TRAS are audited by Messrs JH Tan & Associates.

10) TRADE AND OTHER RECEIVABLES

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade receivables	396,573	324,288	422,295	305,709
Membership fee receivable	262,323	80,892	262,323	80,892
Less: Allowance for credit losses	(12,915)	-	(12,915)	-
	645,981	405,180	671,703	386,601
Unbilled revenue	-	178,480	-	178,480
Deposits	2,160	2,160	2,000	2,000
Prepayments	80,252	55,511	79,069	50,155
Grants receivable from SDF	99,869	25,258	27,918	16,506
Grants receivable from SPRING Singapore	313,608	323,547	313,608	323,547
Sundry receivables	174,744	-	174,744	-
	1,316,614	990,136	1,269,042	957,289

Movement in allowance for credit losses are as follows: -

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
At the beginning of the year	-	14,765	-	14,765
Allowance charged for the year	12,915	-	12,915	-
Bad debts written off	-	(799)	-	(799)
Reversal during the year	-	(13,966)	-	(13,966)
At the end of the year	12,915	-	12,915	-

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

Trade receivables are non-interest bearing with no credit terms. Trade receivables are unsecured and their ageing at the financial year end is analysed below: -

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Past due but not impaired: -				
Less than 30 days	214,744	199,120	218,681	186,084
31 to 60 days	117,487	157,129	120,675	156,570
61 to 90 days	22,693	5,136	26,630	2,675
Over 90 days	291,057	43,795	305,717	41,272
	645,981	405,180	671,703	386,601

When trade receivables are past due but not impaired, the group assesses that the credit qualities of these unsecured amounts have not changed and the amounts are still considered recoverable.

Deposits are for rental and booking of venue for events and services for the events.

Prepayments relate to payments paid in advance for events and seminars.

11) CASH AND CASH EQUIVALENTS

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Cash on hand	62	55	61	54
Cash at bank	1,106,078	1,648,179	1,059,290	1,421,511
	1,106,140	1,648,234	1,059,351	1,421,565

12) DEFERRED INCOME

Deferred income comprises the following at the financial year end: -

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Grants from Ministry of Trade & Industry	189,871	205,066	-	-
Deferred capital grant	11,084	37,051	-	-
Retail Partners' Funds	2,984	2,984	-	-
	203,939	245,101	-	-

Deferred income can be further analysed as follows: -

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Presented as:				
Current liabilities	203,899	234,016	-	-
Non-current liabilities	40	11,085	-	-
	203,939	245,101	-	-

The non-current liability pertains to the non-current portion of deferred capital grant.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

Movements in each of the above grant or fund are set out below: -

GRANTS FROM MINISTRY OF TRADE AND INDUSTRY	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Balance at the beginning of the year	205,066	256,644	-	-
Amounts recognised as income	(15,195)	(50,111)	-	-
Amounts transferred to deferred capital grants	-	(1,467)	-	-
Balance at the end of the year	189,871	205,066	-	-

Grants from the Ministry of Trade and Industry represent amounts to be used by the group in brand development of the group and course development for the retail industry.

DEFERRED CAPITAL GRANT	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
At cost: -				
At the beginning of the year	108,134	106,667	-	-
Additions for the year	-	1,467	-	-
Written off for the year	(29,301)	-	-	-
At the end of the year	78,833	108,134	-	-
Less accumulated amortisation: -				
At the beginning of the year	71,083	45,447	-	-
Amortisation for the year	25,967	25,636	-	-
Written off for the year	(29,301)	-	-	-
At the end of the year	(67,749)	(71,083)	-	-
Net carrying amount at end of the year	*11,084	*37,051	-	-

Deferred capital grant represents grant from the Ministry of Trade and Industry for capital expenditure of furniture, fittings, equipment and renovations (Note 8).

* The balance of \$40 (2016: \$11,085) is presented as non-current liabilities.

RETAIL PARTNERS' FUNDS	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Balance at the beginning of the year	2,984	10,479	-	-
Amounts recognised as income	-	(7,495)	-	-
Balance at end of the year	2,984	2,984	-	-

Funds received from retail partners are recognised in the income statement to match expenses incurred by the retail partners for redemption of course fee.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

13) TERM LOAN

	THE GROUP AND ASSOCIATION	
	2017	2016
	\$	\$
Property loan	2,858,528	2,954,032
Amounts repayable within one year	(84,712)	(95,388)
Amounts repayable after one year	2,774,316	2,858,644

Non-current portion of loan repayable is analysed as follows: -

	THE GROUP AND ASSOCIATION	
	2017	2016
	\$	\$
Amounts payable after one year but within five years	330,357	261,136
Amounts payable after five years	2,443,959	2,597,508
	2,774,316	2,858,644

The term loan is repayable in 25 years commencing from March 2015. The term loan of the group and association is secured by mortgage over freehold office property (Note 8).

Interest is charged at 2.38% (2016: 2.38%) per annum.

14) TRADE PAYABLES, OTHER PAYABLES AND ADVANCE INCOME

	THE GROUP		THE ASSOCIATION	
	2017	2016	2017	2016
	\$	\$	\$	\$
Trade payables	55,266	7,039	-	-
Subscription and course fees received in advance	185,097	299,700	178,579	200,671
Advance billings	116,703	244,609	116,703	244,609
Deposit received	-	-	3,272	3,272
Other payables	257,647	121,784	257,509	121,646
Accruals	176,210	191,846	166,097	128,793
GST payable	17,352	32,481	18,469	27,643
Unutilised grants	414,417	459,065	414,417	459,065
	1,222,692	1,356,524	1,155,046	1,185,699

Trade payables are normally settled within 30 days (2016: 30 days).

Advance billings represent invoices issued in advance for events and seminars.

Unutilised grants are mainly grants received from the Singapore Workforce Development Agency and Spring Singapore collectively for the National Retail Scholarship and SME Talent Programme. The grants are utilised for funding of publicity expenses in promoting the scholarship scheme and for the funding of scholarships.

Accruals comprise of payables for professional fees and provision for staff bonus.

AUDITED FINANCIAL STATEMENTS AND OTHER FINANCIAL INFORMATION

Singapore Retailers Association and its Subsidiary Company

NOTES TO FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2017

15) RELATED PARTY TRANSACTIONS

During the financial year, there were the following transactions with the subsidiary company, based on terms agreed by the parties: -

	THE ASSOCIATION 2017 \$	2016 \$
With subsidiary company: -		
Course fee charged by subsidiary company	-	(72,030)
Rental charged to subsidiary company	44,158	44,158
Training facilities charged to subsidiary company	3,570	8,550

16) CLASSIFICATION OF FINANCIAL INSTRUMENTS

The following table analyses the financial instruments in the balance sheet, by their classes and categories: -

	THE GROUP 2017 \$	2016 \$	THE ASSOCIATION 2017 \$	2016 \$
Financial assets: -				
Loans and receivables	2,342,502	2,582,859	2,249,324	2,328,699
Financial liabilities: -				
Liabilities, at amortised cost	(3,779,420)	(3,766,247)	(3,718,292)	(3,694,451)

17) FINANCIAL RISK MANAGEMENT

The Council Members review and agree on management policies for the following financial risks which arise in the normal course of operation:

(a) Credit risk

The group has no significant concentration of credit risk. Cash is placed with reputable financial institutions.

The carrying amounts of trade and other receivables and cash and cash equivalents represent the group's maximum exposure to credit risk. Credit evaluation on each debtor is performed on a regular basis.

(b) Liquidity risk

The group adopts a prudent approach in managing its liquidity risk by maintaining sufficient cash and cash equivalents for its operational requirement and to mitigate the effect of cash flow fluctuation.

(c) Interest rate risk

The company's exposure to interest rate risk arises primarily from bank borrowings and cash at bank. The company does not expect any significant effect on the company's profit or loss arising from the effects of reasonably possible changes to interest rates on interest bearing financial instruments at the end of the financial year.

END OF THE AUDITED FINANCIAL STATEMENTS