



Empower Business | **Build** Connections | **Transform** Retail



ANNUAL REPORT 2018

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Empower Business | **Build** Connections | **Transform** Retail

VISION

To be the **respected and collective voice** of the retail industry

MISSION

Advance the interests of the retail industry via insights, education, and strategic collaborations

THOUGHT
LEADERSHIP

SUCCESSFUL
INDUSTRY
EVENTS

ACCESS TO
GOVERNMENT
INTERACTIONS

RETAIL TALENT
MANAGEMENT
AND
DEVELOPMENT

RETAIL
ADVISORY AND
INCUBATION

FUNDED
TECHNOLOGY
ADOPTION

RETAIL
STANDARDS



PRESIDENT'S MESSAGE

Retail remains an important industry in Singapore, but it has been struggling in recent years, largely due to rising costs, manpower constraints, challenges of evolving technology, and competition from online marketplaces and m-Commerce. It is, as many members have shared with me at several of our networking events, a tough journey.

But I am proud to say that here at SRA, we go by this saying: when the journey gets tough, the tough gets moving. In the face of such rapid changes and challenges, we strengthened and enhanced our effectiveness. We reviewed our role, sought feedback from our members, stakeholders and the general retail community in an intensive survey exercise and developed a strategy to guide our actions and operations in the coming years. In 2018, we announced our new Vision: To be the respected and collective voice of the industry; and Mission: Advance the interests of the retail industry via insights, education, and strategic collaborations. And with it, we also launched an updated SRA logo to “Empower Business. Build Connections. Transform Retail”.

Firstly, SRA will continue to make good use of our LEAD+ support to advocate changes and improvement on behalf of our members. Our Retail ITM journey has been going strong for the past one year. We have been working very closely with various government agencies these past 12 months to strengthen the support for our local retailers and to drive industry transformation. To start with, we brought a group of retailers and government officers to New York for the National Retail Federation (NRF)'s Retail BIG Show in January 2018, where the delegation was immersed in first-hand case studies and met up with international counterparts who have succeeded in transforming their retail businesses in the evolving retail landscape.

We also need to create the best possible conditions for delivering results, and fostering good leaders. And this is why SRA partnered with Enterprise Singapore (ESG) and Workforce Singapore (WSG) to launch the Retail Job Redesign Framework in June 2018, to ensure that our retailers are equipped with the right skills to upgrade themselves and go digital.

2018 has also been an eventful year for SRA as we took significant actions to be closer to the ground and took in feedback from the retail community on a more regular basis. These measures are crucial in strengthening our bond with the retailers and promote innovation in our way of working. One of the exciting initiatives that showed our agility to respond to the market needs was the new and enhanced GoSpree app, which was launched at The Great Singapore Sale 2018. The updated features are one of the many ways SRA aims to help our members drive engagement with their consumers and drive spending at their stores.

Ultimately, we aim to grow local retail, and to strengthen the ‘Singapore brand’ globally. On behalf of my council members and the SRA secretariat, I seek your support as we continue on this digital transformation journey with a new Vision and Mission in place. Rest assured that in the coming months, we will be defending these principles with utmost passion and conviction.

Mr R Dhinakaran, President

COUNCIL MEMBERS



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



WONG SIOE HONG
Executive Chairman
Metro (Pte) Ltd



GAN SIOK HOON
Vice President
Mobile Marketing & Sales
Singtel



HELEN KHOO
Executive Director
Wing Tai Retail Pte Ltd



NG WHYE KEONG
Group Director
Pet Lovers Centre
Pte Ltd



DAVID GOH
Managing Director,
Singapore
Cold Storage Singapore
(1983) Pte Ltd



JOSHUA KOH
Chief Executive Officer
Commune Lifestyle Pte
Ltd



SERENE SEOW
Managing Director
Eu Yan Sang (Singapore)
Pte Ltd



DOUGLAS BENJAMIN
Group Chief Operating
Officer
FJ Benjamin Holdings Ltd



ALWYN CHONG
Managing Director –
Malaysia, Indonesia,
Thailand &
Philippines
Luxasia Group



GERRY LEE
Deputy Chief Executive
Officer & Head of
Channels
NTUC FairPrice Co-
operative Ltd



CHARLIE TEO
Managing Director
OSIM International Pte
Ltd



KENNETH ARULDOSS
Managing Director, Asia
Pertama Merchandising Pte
Ltd (Harvey Norman)



SIMON NAGA
Vice President, Asia
Robinson & Co (S)
Pte Ltd



JEREMY TAYLOR
Managing Director
Stevetay Pte Ltd
(Cash Converters)



KENNY CHAN
Group Managing Director
The Hour Glass Ltd



MICHAEL BINGER
Chief Executive Officer
Triple Pte Ltd



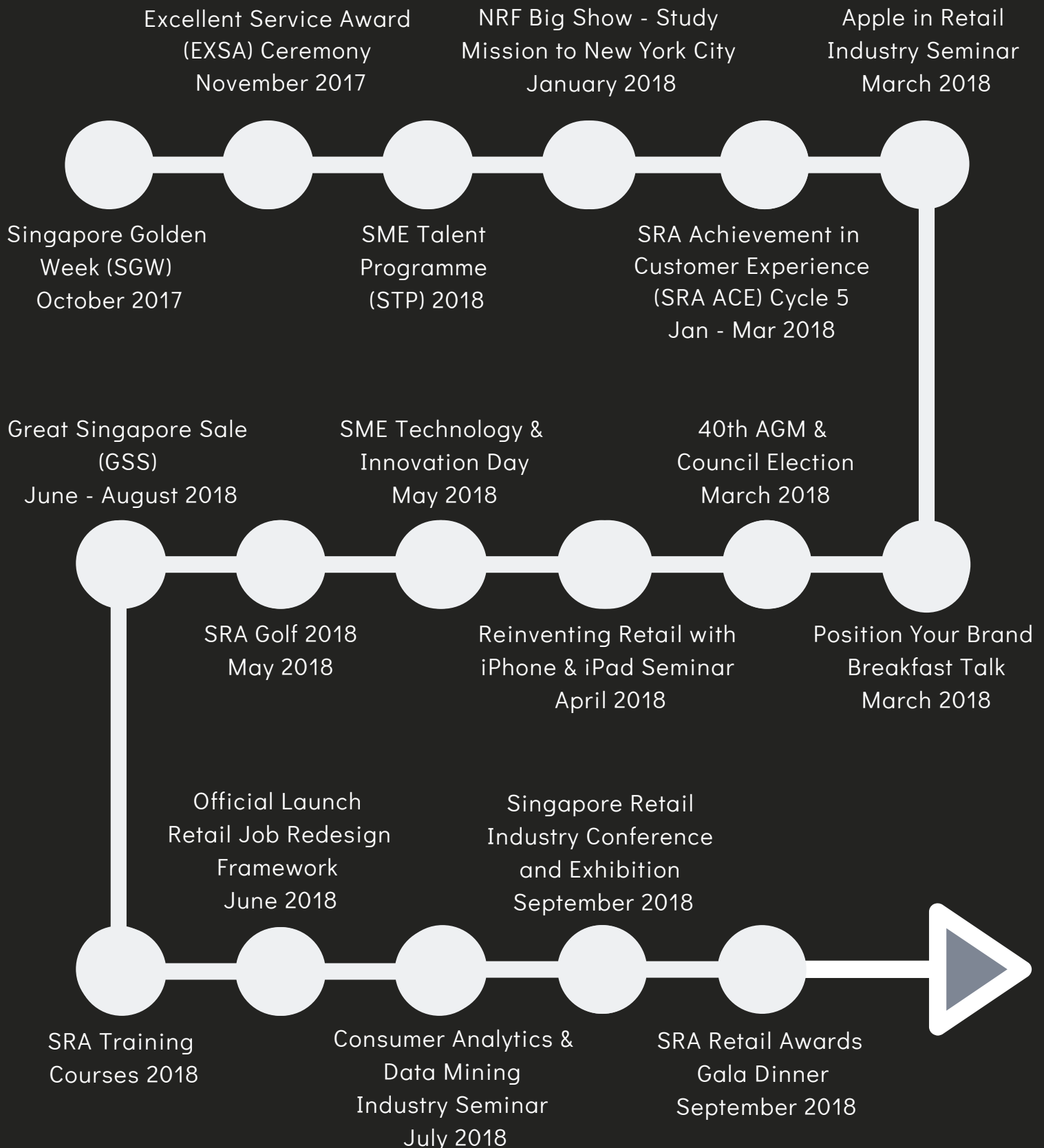
JIMMY GIAM
Executive Director
Vision Lab Eyewear
Premium Pte Ltd

TOTAL MEMBER COUNT

323

(as of 30 September 2018)

2018 HIGHLIGHTS



NOTABLE ACHIEVEMENTS IN 2018

RETAIL INDUSTRY TRANSFORMATION MAP

Whether we are rallying retailers to adopt digitalisation in their operations, matching their needs with the right partners and employees, or creating platforms for them to come together to share their transformative journey, SRA is going strong in our quest to strengthen retailers' competitiveness in the changing retail landscape.

Venturing beyond Singapore's shores is a crucial step for businesses looking for new market strategies and growth, and SRA made sure to look into it by successfully leading a delegation on the SRA-National Retail Federation (NRF) Study Mission to New York in January 2018. Some of the key takeaways that the delegates obtained from the trip included learning the latest consumer and technology trends affecting the retail trade in the US, establishing valuable contacts with potential technology vendors, getting first-hand experience through retail store visits which have adopted technology to enhance the customer journey and improve productivity, and learning from best-in-class retailers in the areas of brand storytelling, service excellence, strategic advertising, retail innovation and omni-channel customer engagement.



Behind the scenes access
to The New York Times.



Delegates learning from the
iconic Samsung 837 Store.



SRA-NRF Study Mission to New York 2018 saw 34 delegates comprising government officials and retailers ranging from SMEs such as Benny's Gems Creations, Pet Lovers Centre, Megafash, Star Furniture to non-SMEs such as Wing Tai, Commune Lifestyle, Norbreeze Group & Crocs.

NOTABLE ACHIEVEMENTS IN 2018

RETAIL INDUSTRY TRANSFORMATION MAP

Under the Retail ITM, one of SRA's key priorities was to boost the productivity and growth for retailers in times of a tight labour market and changing aspirations of the workforce. In June 2018, SRA partnered with Enterprise Singapore (ESG) and Workforce Singapore (WSG) to launch the new Retail Job Redesign Framework, to help retailers adopt manpower-lean business models and create higher value-adding jobs. We made it easy for retailers to get job redesign templates, pre-fitted solutions, the government grants available or make an appointment with one of the five pre-qualified job redesign consultants, which are all accessible on SRA's website.



GOH Mrs Josephine Teo urged businesses to be bold in adopting new technologies and redesigning jobs to support shifts in business strategies at the launch on 29 June 2018.

Menswear retailer, Benjamin Barker, sharing their beacon technology at the Smart Retail Showcase.

Benjamin Barker is also one of the seven pilot companies to embark on the Job Redesign journey – their employees are now equipped with data analytics skills in sales target management and product advisory after the programme.



NOTABLE ACHIEVEMENTS IN 2018

RETAIL INDUSTRY TRANSFORMATION MAP

Another key SRA event was the annual Singapore Retail Industry Conference and Exhibition (SRIC.E). With new, interactive programming and content as well as the theme “Discover, Digitalise, Deliver”, SRIC.E 2018 focused on innovative retailers elevating their digital strategies. Attendees gained insight into the retail industry’s future, discovered the newest retail concepts and strategies and a focused exhibition specially identified by SRA.



Giving the opening address at SRIC.E 2018, Minister Chan Chun Sing stressed the importance of “Brand Singapore”, urging the attendees that “if we cannot compete on the basis of price and size, we then need to compete on the basis of our connections, quality and brand.”

Day 2 of the conference included a panel discussion on how to build and deliver effective businesses in the “new retail” by industry experts: Dr Alan Treadgold, Partner - Retail Strategy, PA Consulting, United Kingdom, Ronald Dalderup, Founder & Chief Innovation Catalyst, NBDA, Leonard Ling, Principal Consultant & Director, Solutionsatwork, Pete Fullard, Managing Director at Upskill People.



The new future of product display – Ascend’s RFID technology captures the associated orientation or chip embedded into the object to display the information accordingly. It sparked the delegates’ interest to find out more on the projects and solutions that they have done.

NOTABLE ACHIEVEMENTS IN 2018

INDUSTRY RETAIL EVENTS

SRA does not only bring the retail industry together and connect them through industry activities, we create opportunities for the retailers to deepen their engagement with their customers and drive sales.

The Great Singapore Sale (GSS) celebrated its 25th Anniversary in 2018, and we kicked off the silver jubilee celebrations at the first ever three-day carnival held at Robinsons The Heeren. SRA also announced GoSpree's new features at the launch, which made the shopping experience more interactive. The silver jubilee celebrations continued with the inaugural GST-Absorbed Day on 7 July 2018 and another on 8 August 2018, a move by SRA that got retailers to band together and offer their best deals and promotions for both tourists and locals.

GSS 2018 saw to over \$5.2 million worth of PR coverage in 140 publications, while the post-GSS 2018 survey reported 1.79 million tourists came to Singapore with GSS as a purpose of visit with over 70% of them indicating that they are likely to visit Singapore again for future GSS. UnionPay, the Official Payment Brand for GSS 2018, reported more than double increase in spending by the local UnionPay customers and a good growth of tourist spending from Southeast Asia.

Shoppers also got to win over \$750,000 worth of prizes and gifts ranging from fashion, household, electronics to admission tickets to the International Champions Cup 2018 matches.

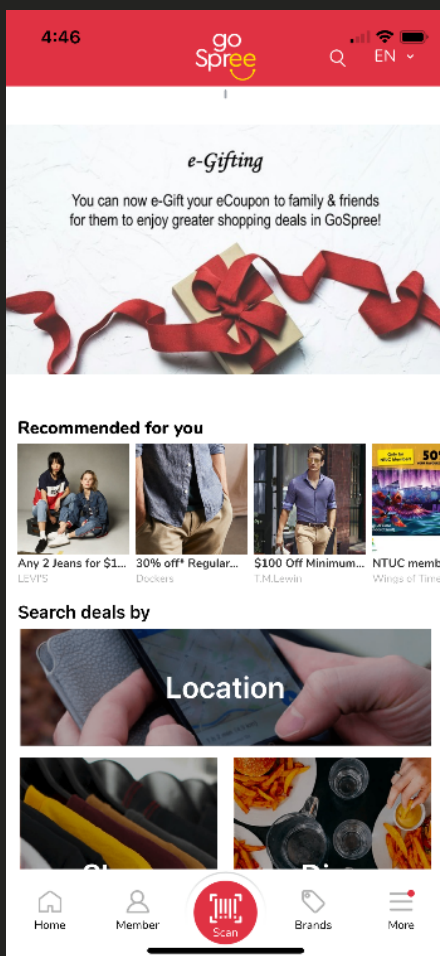


A plethora of activities at GSS Carnival 2018 including celebrity appearances from Kiss92 FM and One FM deejays, musical performances from the likes of Jack and Rai and Alfred and Kewei, as well as various carnival game booths.

NOTABLE ACHIEVEMENTS IN 2018

INDUSTRY RETAIL EVENTS

New look, greater rewards. The new features in GoSpree included an improved user experience, data analytics for push recommendations, geofencing and eGifting.



About 100 brands (including Harvey Norman, Goldheart, Robinsons, Topshop and Eu Yan Sang and more) participated in the collective GST-Absorbed Day initiative.



The third edition of Singapore Golden Week (SGW), the shopping and lifestyle festival catered for the Chinese tourists in Singapore, saw our partnership with F&B operators to leverage won the Mooncake Festival to drive sales. The Go Moony with GoSpree promotion gave away a total of \$10,000 prizes to GoSpree members. It was also an opportunity to healthy with UnionPay, the Official Payment Brand for SGW 2018, who was also the presenter for The Colour Run 2018.



NOTABLE ACHIEVEMENTS IN 2018

TRAINING AND RECOGNITION

SRA is constantly looking for new and innovative ways to support the training and development of the employees – the heart of the retail industry. During the EXSA Presentation Ceremony 2018, we officially announced our partnership with UpSkill People Asia. Through this partnership, SRA will work very closely with UpSkill to provide more training courses on the digital platform to our members and enhance training strategies by developing staff in a more effective and measurable way. The purpose of the e-learning is not to replace face-to-face training, which is important for business and personal growth, but it will be about finding an effective blended learning strategy to achieve the greatest benefits for the staff and business.



SRA and UpSkill completed a highly successful pilot with two renowned SRA members - Wing Tai and Benjamin Barker - before officially rolling out the programme.

All the e-Learning courses are endorsed by SRA, and the benefits include the ability to measure the outcome of the e-Learning for a positive ROI, a user-friendly and effective course builder and a flexible platform that is fully customisable.

UpSkill
people

OUR SOLUTIONS



One platform for all your learning

Manage, deliver, assess and record all training activities in one place.

Mobile Friendly – access your training courses and reports on any device, anytime, anywhere.

Fully Customisable – matched to your brand and your business needs.

Management insights – progress reporting allows your managers to monitor the learning performance and feedback of team members, for a greater understanding of staff challenges and needs.



Upskill and retain the best talents

Get the best out of your people. Drive productivity and business performance using fully interactive, bite-sized and highly engaging courses.

Management Training – Equip your managers with the skills to help their team shine.

Prepare new managers for their role and develop the confidence of even the most experienced manager.

Sales and Service Training – Customer experience is key. Make sure your team is equipped with the right approach, skills, and knowledge for great customer service.

Empower your staff to successfully sell your brand's unique offering.



Build your own e-learning – It's EASY

With our Easy Course Builder tool, you can create bespoke content, specific to the needs of your organisation.

- Deliver your own videos, animations and graphics.
- Include interactive quizzes to ensure learning objectives have been met.
- Get real-time feedback from our post-course survey.
- Create pre and post, face-to-face training materials to enhance knowledge retention.

NOTABLE ACHIEVEMENTS IN 2018

TRAINING AND RECOGNITION

We celebrate Customer Excellence. The SRA Achievement in Customer Experience (ACE) Programme – Singapore's first Omni-Channel Mystery Shopping Programme that sets industry and sectoral benchmarks for service delivery, and the Excellent Service Award (EXSA) saw a record-breaking 3,963 EXSA winners (a 16% increase from 2017). Guest of Honour at the EXSA Presentation Ceremony 2018, Mr Zaqy Mohamad, Minister of State, Ministry of National Development & Ministry of Manpower presented the SRA Platinum ACE Award 2018 to seven retailers who had consistently achieved the best service performance in their respective categories across different touch points such as store outlets, customer service emails, store telephone lines, company websites as well as social media engagement. The coveted SRA EXSA Superstar Award went to Ms Chung Wing Lam, Principal Clinical Pharmacist, Watson's Personal Care Stores Pte Ltd for the superior customer service amplified in her daily duties.



It was a proud moment for the winner, Ms Chung Wing Lam (fourth from the left) and the other SRA EXSA Superstar Award finalists.



One of the bigger winning contingents - the Dairy Farm Group.

NOTABLE ACHIEVEMENTS IN 2018

INDUSTRY ENGAGEMENT AND NETWORKING

Another much loved event that never fails to motivate all involved (especially the winners) is the SRA Retail Awards!

Recognised by the community as the platform that honours the best in the retail industry, the SRA Retail Awards give the next generation of retail the opportunity to gain recognition and kickstart their career. In 2018 the winners of the coveted awards were; Don Don Donki (Best New Entrant of the Year); Singtel Shop Comcentre (Best Retail Concept of the Year); Frasers Tribal Quest by Frasers Property Singapore (Best Retail Event of the Year); Orchard Turn Developments Pte Ltd (Best Efforts in Corporate Social Responsibility); Mr Law Kar Fei, District Manager from 7-Eleven (Manager of the Year); Ms Nicole Koh, Senior Training Manager from Pandora Jewelry Singapore Pte Ltd (Young Executive of the Year); Paragon (Best Efforts in Centre Management – Shopping Centre) and Tampines Mall (Best Efforts in Advertising & Promotion – Shopping Centre).

Our congratulations to all

Retail executives, industry insiders and government agencies came together at the Gala Dinner to network and celebrate the industry's achievements. The 21 September 2018 event was held at the Fairmont Ballroom, Raffles City Convention Centre.



NOTABLE ACHIEVEMENTS IN 2018

INDUSTRY ENGAGEMENT AND NETWORKING

On 18 May 2018, SRA held our 26th SRA Golf Tournament at Sembawang Country Club. 144 businessmen pitted their skills and enjoyed a day of networking at the event. Participation and sponsorship rates were kept low to give members value for money during these challenging times, and we were heartened to see that they enjoyed themselves thoroughly!



Fun on the golf course and networking dinner at the 26th SRA Golf Tournament 2018.

To further engage members, SRA continues to work with the various local higher educational institutions to help match suitable student candidates with the qualified SMEs under the SME Talent Programme (STP). The programme supports SMEs' efforts in building a talent pool for future recruitment possibilities while providing students a better understanding of working in SMEs via industry exposure. Since being appointed an Approved-In- Principle (AIP) partner for this programme, SRA has successfully matched 536 students from IHLs with over 75 SMEs employers for internships.

MOVING FORWARD

Despite the many challenges retailers face, we remain cautiously optimistic. SRA will strive to open up new opportunities for our members, and with our digital journey on track and with the right mindset and skills, we are well-positioned to leverage on these challenges.

We are excited to announce that SRA members can look forward to the following new initiatives in the coming year: the new “SRA Academy” offering training made available on e-learning platforms and a slew of training programmes ahead of the digital curve; funded curated retail tech solutions in the areas of intelligent automation, customer data analytics, enhancement of HR resources and others for mass adoption by SMEs; increased interaction with SRA members through breakfast talks, social and festive events and other networking platforms; more industry engagements via seminars, learning journeys, study missions; specialised training programmes to help develop the capabilities of both retail companies and employees as well as the relevant funding that are available for them.

Furthering our goal to champion internationalisation and a skilled workforce, SRA is proud to announce that we will be one of the Approved-in-Principle (AIP) partners for the new Global Ready Talent Programme (GRTP). It aims to build a pool of Global-ready talent for our Singapore enterprises through exposing young Singaporeans to internships and work opportunities overseas. SRA will be deepening our engagement with the local educational institutions and students to help them in their international talent mobility process and work closely with the enterprises in their internship applications and grants.

Finally, SRA looks forward to the roll-out of the much-anticipated revamped GSS in 2019! Rebranded as “GSS: Experience Singapore” the event duration will be shortened to one month, and will focus on experiential and social experiences of shopping in Singapore instead of just the usual discounts and deals. SRA will be working together with other strategically important trade associations and chambers to showcase the local Singapore story through a fusion of art, technology and entertainment together with retail and food and beverage. Shoppers and retailers alike can expect a plethora of activities including a street pop-up, a showcase of unique Singapore products, life-sized art installations, movie screenings and much more!



Empower Business | Build Connections | Transform Retail

LIST OF SRA MEMBERS

ORDINARY

A & V Best Trading Pte Ltd	C.K. Tang Limited
Abiraame Jewellers	Chan Huat Electric Pte Ltd
ABR Holdings Limited	Chanel Pte Limited
Absolute Panache	Charles & Keith (Singapore) Pte Ltd
Active World Pte Ltd	Choo Yilin Artisan Jewellery Pte Ltd
ACTS Market Pte Ltd	Chopard (Asia) Pte Ltd
Ademco Investments Pte. Ltd.	Citrusox Pte Ltd
adidas Singapore Pte Ltd	Citylong Group Pte Ltd
Aerov Pte Ltd	Club 21 Pte Ltd
AET Training and Services	Coach Singapore Pte Ltd
Amber Skyline Pte Ltd	Cold Storage Singapore (1983) Pte Ltd /
Amnesty Pte Ltd	Dairy Farm Group
Amorepacific Singapore Pte Ltd	Commune Lifestyle Pte Ltd
Aryan (SEA) Pte Ltd	Cortina Watch Pte Ltd
Aspial-Lee Hwa Jewellery Pte Ltd	Courts (Singapore) Pte Ltd
Asterspring International (S) Pte Ltd	Crabtree & Evelyn (Singapore) Pte Ltd
Audio House Marketing Pte Ltd	Cristofori Music Pte Ltd
Autium Pte Ltd	CYC Company Pte Ltd
Autobacs Venture Singapore Pte Ltd	Decathlon Singapore Pte Ltd
Avocado Skin Pte Ltd	Dejewel Galleria Pte Ltd
Awareness Enterprise Pte Ltd	Delasas Pte Ltd
Bally Singapore Pte Ltd	Delphin Singapore Pte Ltd
Ban Leong Technologies Limited	DFS Venture Singapore (Pte) Ltd
Barcode Marketing Pte Ltd / Pazzion	Diabetic Specialities Pte Ltd
International Pte Ltd	Eastchamp Optometrists
Bata Shoe (S) Pte Ltd	ECCO Shoes Singapore Pte Ltd
Bee Cheng Hiang Hup Chong Foodstuff Pte Ltd	Eight Flags Computer Systems & Supplies
Benjamin Barker Aust Pte Ltd	Pte Ltd
Benny's Gems Creations	Eldric Marketing Pte Ltd
BHG (Singapore) Pte Ltd	Era International Network Pte Ltd
Big Retail Group Pte Ltd	Eu Yan Sang (Singapore) Pte Ltd
Bizgram Asia Pte Ltd	F J Benjamin (Singapore) Pte Ltd
Blackmores (Singapore) Pte Ltd	Family Dental Centre
Bodywork Concepts Pte Ltd	Fangli Trading
Bottega Veneta Singapore Pte Ltd	Far East Flora Pte Ltd
BSH Home Appliances Pte Ltd	Fefco Fine Furniture (S) Pte Ltd
BTC Clothier (S) Pte Ltd	FotoHub.com Pte Ltd
Bulgari South Asian Operations Pte Ltd	Frames & Lenses Pte Ltd
C.K. Tang Limited	Georg Jensen (S) Pte Ltd
	Gift Time Pte Ltd

LIST OF SRA MEMBERS

ORDINARY

Goldlion Enterprise (Singapore) Pte Ltd
Goshen Art Gallery LLP
H Sena (Pte) Ltd
Hansgrohe Pte Ltd
Hassans Carpets Pte Ltd
Her Velvet Vase Pte Ltd
Hilding Anders Singapore Pte Ltd
Ikano Private Limited
iMattress
Isetan (Singapore) Limited
Island Landscape & Nursery Pte Ltd
Jay Gee Enterprises (Pte) Ltd
Jean Yip Salon Pte Ltd
Jewel Changi Airport Devt Pte. Ltd.
Jewels Galleria Pte Ltd
JMD Pacific Pte Ltd
JT Network Pte Ltd
Jump Eat Cry Pte Ltd
K. Blu Pte Ltd
Kiddy Palace Pte Ltd
Klosh Pte Ltd
Komoco Motorcycles Pte. Ltd
Kwanpen Reptile Products
Lagardere Singapore Pte Ltd
Larry Jewelry (1967) Pte Ltd
Leather Solution Pte Ltd (DrBags)
Lemongrass House Singapore Pte Ltd
Lianbee-Jeco Pte Ltd
Link Millennium Pte Ltd
Liuligongfang (S) Pte Ltd
Lladro Singapore Pte Ltd
Longchamp Singapore Pte Ltd
Lusk Pte Ltd
Luxasia Pte Ltd
Luxury Ventures Pte Ltd
Luzerne Pte Ltd
LVMH Watch & Jewellery S'pore Pte Ltd
M1 Shop Pte Ltd
Mattress International Pte Ltd
MEPO Concept Pte Ltd

Metro (Private) Limited
Metze Chlo Pte Ltd
Miele Pte Ltd
Mighty Velo Pte Ltd
Milan Shoes
Mister Minit Singapore Pte. Ltd.
MJ Invest Pte Ltd
Moda Pacifica Pte Ltd
Mohamed Mustafa & Samsuddin Co. Pte Ltd
Montreal Pte Ltd
Mothercare (S) Pte Ltd
Muji (Singapore) Pte Ltd
Nanjya Monjya Waterfront
Nanyang Optical Co Pte Ltd
Natures Farm Pte Ltd
New Balance Singapore Pte Ltd
Norbreeze Group 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
One Discovery Pte Ltd
Onlewo Pte Ltd
Onsen Retreat and SPA (Singapore) Pte Ltd
Oriental Royalty Singapore Pte Ltd
Osacar City Audio Visual Pte Ltd
OSIM International Pte Ltd
Osmose Pte Ltd
PANDORA Jewelry Singapore Pte Ltd
Paris Bijoux Manufacturing (S) Pte Ltd
Parisilk Electronics & Computers Pte Ltd
Parlour Group Pte Ltd
PC Man Corporation Pte Ltd
Pertama Merchandising Pte Ltd / Harvey Norman
Pet Lovers Centre Pte Ltd
Petite Fleur SG Pte Ltd
Phoon Huat Pte Ltd

LIST OF SRA MEMBERS

ORDINARY

Poh Heng Jewellery (Private) Limited
Popular Book Co (Pte) Ltd
Print Tyrant Pte Ltd
Puma Sports SEA Trading Pte Ltd
Pure Senses Pte Ltd
PVH SINGAPORE PRIVATE LIMITED
Ram Pacific Pte Ltd
Refash Pte Ltd
Richard Hung Jewellers (Pte) Ltd
Richemont Luxury (Singapore) Pte Ltd
Robinson & Co (S) Pte Ltd
Royal Selangor (S) Pte Ltd
RSH Limited
Sa Sa Cosmetic Co. (S) Pte Ltd
Sandbox Technology Pte Ltd
Saturday Club Pte Ltd
Schaffen Private Limited
Seager Inc. Pte Ltd
Sealy Asia (S) Pte Ltd
Seastainable Co.
Sentosa Leisure Management Pte Ltd
Seven Stars Production Pte Ltd
Shopping Bag (S) Pte Ltd
Simmons (Southeast Asia) Pte Ltd
Sincere Watch Limited
Singapore Crocodile (1968) Pte Ltd
Singapore Hobby Supplies Pte Ltd
SPH Buzz Pte Ltd
Spirit Retail Pte Ltd
Star Furniture Pte Ltd
Stargek Private Limited
StarHub Limited
Stevetay Pte Ltd
Sunrise & Co. (Pte) Ltd
SUTL Sports Retailing Pte Ltd
Swan Jewelry Pte Ltd
Takashimaya Singapore Limited
Team Green (Far East) Pte Ltd
Telecom Equipment Pte Ltd
Tempur Singapore Pte Ltd

Tessellate.Co
Textile and Fashion Industry Training Centre Pte Ltd
The Body Shop (S) Pte Ltd
The Experts Group Pte Ltd
The Eyecare Initiative - Optical Pte Ltd
The Good Life Club Pte Ltd
The Hour Glass Limited
The Mattress Centre (S) Pte Ltd
The Swatch Group S.E.A. (S) Pte Ltd
The X Collective Pte Ltd
Times The Bookshop Pte Ltd
ToTT Store
Toys R Us (Singapore) Pte Ltd
Transmarco Concepts Pte Ltd
Travelite Holdings Ltd
Triple Pte Ltd
Ultimate Drive Eurosports Pte Ltd
United Eyecare (Novena) LLP
Vedure Pte Ltd
Venus Beauty Pte Ltd
VF Brands Pte. Ltd.
Vision Lab Eyewear Premium Pte Ltd
Watsons Personal Care Store
Window to the Past
Wing Tai Retail Management Pte Ltd
Wiseland Contact Lens & Optical Centre
Yamaha Music (Asia) Pte Ltd
Yue Hwa Chinese Products Pte Ltd
Zyllem (Smart Communities Pte Ltd)

LIST OF SRA MEMBERS

ASSOCIATE

AXS Pte Ltd	iShopAt Pte Ltd
BGroup SG Pte Ltd	ITC Cold Chain Logistics Pte Ltd
Brand Alliance Travel & Retail Pte Ltd	ITE College West
Brandsbridge Pte Ltd	JT International Singapore Pte. Ltd.
British American Tobacco Sales & Marketing Singapore Pte Ltd	Keppel Land Limited
Calbee Moh Seng Pte Ltd	Kingsmen Projects Pte Ltd
Campbell Soup Southeast Asia Sdn. Bhd. (Singapore Branch)	Knight Frank Pte Ltd
CapitaLand Retail	KPMG Services Pte Ltd
Certis Cisco Consulting Services Pte Ltd (Orchard Central)	KRISP Systems Pte Ltd
Changi Airport Group (S) Pte Ltd	L OREAL Singapore Pte Ltd
Colliers International (Singapore) Pte Ltd	Lazada Singapore Pte Ltd
Cushman & Wakefield (S) Pte Ltd	Logwin Air Ocean Singapore Pte Ltd
DAP Asia Pacific (S) Pte Ltd	Mandom Corporation (Singapore) Pte Ltd
Delta Air Lines, Inc	Marina Bay Sands Pte Ltd
Edenred Pte Ltd	Marina Centre Holdings Pte Ltd
Emporio Analytics Pte. Ltd.	MasterCard Asia/Pacific Pte Ltd
Estee Lauder Cosmetics Pte Ltd	Modern ART International
EZ-Link Pte Ltd	MyRepublic Limited
Far East Management Pte Ltd	Nanyang Polytechnic
First Data Merchant Solutions Pte Ltd	NEC Asia Pacific Pte Ltd
Frasers Property Limited	Nestle Singapore (Pte) Ltd
Futura Ingredients Singapore Pte Ltd	NETS
Global Blue Singapore Pte Ltd	NTUC Club
Global Payments Asia-Pacific (Hong Kong Holding) Limited	NTUC Link
Glory Global Solutions (Singapore) Pte. Ltd.	Nufin Data Pte Ltd
Hanwell Holdings Limited	Orchard Turn Retail Investment Pte Ltd
Haste Tech Private Limited	OUB Centre Limited
Hongkong Land (Singapore) Pte Ltd	OUE Limited
HSBC Institutional Trust Services (S) Ltd as Trustee of Suntec REIT	Pathfinder Venture Pte Ltd
iDA'SG Pte Ltd	Philip Morris Singapore Pte Ltd
IDC Asia Pacific	Premier Tax Free & Fintrax Payments (Asia) Pte Ltd
International Customer Loyalty Programmes (A.P.) Pte Ltd	PricewaterhouseCoopers LLP
Invade Industry Pte Ltd	Procter & Gamble (S) Pte Ltd
	Queen Consulting Group Private Limited
	Raffles Merchandising School
	RSM Chio Lim Stone Forest
	Samsung SDS Asia Pacific Pte Ltd
	Science Arts Co. Pte Ltd

LIST OF SRA MEMBERS

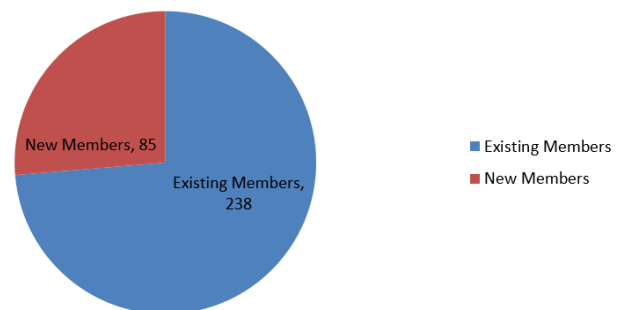
ASSOCIATE

Singapore Polytechnic
Singapore Post Limited
Singapore Press Holdings Ltd
Singapore Zoological Gardens
Social Connect Solutions Pte Ltd
Sonata Software Ltd
SPH Retail Property Management
Services Pte Ltd
StrongPoint Retail Solutions Pte Ltd
Swee Cheng Management Pte Ltd
Temasek Polytechnic
The Furniture Mall Pte Ltd
The Management Corporation Strata
Title Plan No. 651
The Retail Academy of Singapore Pte Ltd
TOA Electronics Pte Ltd
Tohtonku (S) Pte Ltd
TOUREGO PTE LTD
Trakomatic Pte. Ltd.
TUN Events
Unionpay International Co Ltd
XPOINTO MEDIA PTE LTD
YTL Starhill Global Property
Management Pte Ltd

TOTAL MEMBER COUNT

323

SRA Membership FY17/18



AFFILIATE

Globus Stores Private Limited

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 4 to 26 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 2018, 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

11 March 2019
Singapore



NG WHYE KEONG
Honorary Treasurer

**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 2018, the statement of comprehensive income and 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 2018 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 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.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SINGAPORE RETAILERS ASSOCIATION (cont'd)**
(Registration No: S77SS0005G)
(Registered under the Societies Act, Chapter 311, Singapore)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (cont'd)

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

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

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

11 March 2019
Singapore

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY
(Registration No: S77SS0005G)
(Registered in the Republic of Singapore)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

		THE GROUP		THE ASSOCIATION	
	Note	2018	2017	2018	2017
		\$	\$	\$	\$
Income: -					
Course fees, net		53,355	332,938	9,715	59,915
Subscription and entrance fees, net		218,314	199,695	218,577	200,445
Surplus from seminars and events, net	4	982,959	725,190	982,959	728,760
Commission income		-	11,436	-	-
Bank interest income		395	655	395	655
Other income	5	23,950	73,661	11,322	63,205
		1,278,973	1,343,575	1,222,968	1,052,980
Less: Expenses: -					
Advertisement		3,778	1,392	3,778	1,392
Allowance for credit losses	10	5,971	12,915	-	12,915
Audit and tax fees		18,500	5,900	11,100	5,900
Bad debts written off, trade		-	400	25,221	-
Bank charges		675	1,051	423	470
Course development		23,929	15,195	-	-
Course expenses		31,640	135,098	-	-
Deposit written off		160	-	-	-
Depreciation of fixed assets	8	97,255	116,259	82,106	77,353
Donation		1,383	-	1,383	-
Employee costs	6	681,204	918,046	671,491	774,692
Exchange difference, net		-	2,205	-	-
Exhibition and meeting expenses		7,051	6,444	7,051	6,427
Fixed assets written off		2,310	-	-	-
Gifts and entertainment		3,052	1,721	3,052	1,308
Impairment loss in subsidiary company		-	-	43,400	-
Insurance		2,506	3,920	2,085	1,467
Interest on term loan		69,011	70,142	69,011	70,142
Miscellaneous expenses		3,270	3,836	2,762	3,361
Penalty		785	-	785	-
Printing and stationery		5,765	12,175	5,700	11,460
Professional fee		-	5,601	-	600
Property tax		17,152	15,690	17,152	15,690
Expenses, carried forward		(975,397)	(1,327,990)	(946,500)	(983,177)

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

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY*(Registration No: S77SS0005G)**(Registered in the Republic of Singapore)***STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018 (cont'd)**

	Note	THE GROUP		THE ASSOCIATION	
		2018	2017	2018	2017
		\$	\$	\$	\$
Expenses, brought forward		(975,397)	(1,327,990)	(946,500)	(983,177)
Removal charges		200	-	200	-
Repairs and maintenance		30,945	28,623	30,548	28,093
Secretarial fee		7,420	8,310	5,000	5,850
Tele-communication		4,701	5,039	4,701	4,269
Transport and travelling		6,904	3,213	6,904	2,343
Utilities		2,209	2,128	2,073	1,256
		(52,379)	(47,313)	(49,426)	(41,811)
		(1,027,776)	(1,375,303)	(995,926)	(1,024,988)
Profit/(Loss) before taxation		251,197	(31,728)	227,042	27,992
Taxation	7	(36,800)	(5,258)	(36,800)	(5,258)
Profit/(Loss) after taxation		214,397	(36,986)	190,242	22,734
Other comprehensive income for the year, net of taxation		-	-	-	-
Total comprehensive income/(loss) for the year		214,397	(36,986)	190,242	22,734
Total comprehensive income/(loss) attributable to:					
Owners of the parent		214,397	(36,986)	190,242	22,734

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

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY
(Registration No: S77SS0005G)
(Registered in the Republic of Singapore)

BALANCE SHEETS
AS AT 30 SEPTEMBER 2018

	Note	THE GROUP		THE ASSOCIATION	
		2018	2017	2018	2017
		\$	\$	\$	\$
Non-current assets					
Fixed assets	8	5,772,661	5,868,351	5,772,661	5,850,852
Investment in subsidiary company	9	-	-	-	43,400
		5,772,661	5,868,351	5,772,661	5,894,252
Current assets					
Trade and other receivables	10	1,820,947	1,316,614	1,820,947	1,269,042
Amount due from a subsidiary company	11	-	-	76,945	-
Cash and cash equivalents	12	1,101,816	1,106,140	972,038	1,059,351
		2,922,763	2,422,754	2,869,930	2,328,393
Total assets		8,695,424	8,291,105	8,642,591	8,222,645
<i>Represented by:</i>					
Accumulated fund		4,214,343	3,999,946	4,393,313	4,203,071
Non-current liabilities					
Deferred income	13	-	40	-	-
Term loan	14	2,656,569	2,774,316	2,656,569	2,774,316
		2,656,569	2,774,356	2,656,569	2,774,316
Current liabilities					
Trade and other payables and advance income	15	1,491,314	1,222,692	1,451,367	1,155,046
Deferred income	13	191,856	203,899	-	-
Term loan	14	98,959	84,212	98,959	84,212
Provision for taxation	7	42,383	6,000	42,383	6,000
		1,824,512	1,516,803	1,592,709	1,245,258
Total fund and liabilities		8,695,424	8,291,105	8,642,591	8,222,645

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

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY
(Registration No: S77SS0005G)
(Registered in the Republic of Singapore)

**STATEMENTS OF CHANGES IN FUND
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

THE GROUP	Accumulated Fund \$
Balance as at 1 October 2016	4,036,932
Total comprehensive loss for the year	(36,986)
Balance as at 30 September 2017	3,999,946
Total comprehensive income for the year	214,397
Balance as at 30 September 2018	4,214,343
THE ASSOCIATION	Accumulated Fund \$
Balance as at 1 October 2016	4,180,337
Total comprehensive income for the year	22,734
Balance as at 30 September 2017	4,203,071
Total comprehensive income for the year	190,242
Balance as at 30 September 2018	4,393,313

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

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY*(Registration No: S77SS0005G)**(Registered in the Republic of Singapore)***CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2018**

THE GROUP	2018	2017
	\$	\$
Cash flows from operating activities		
Profit/(Loss) before taxation	251,197	(31,728)
Adjustments for: -		
Allowance for credit losses	5,971	12,915
Bad debts written off, trade	-	400
Depreciation for fixed assets	97,255	116,259
Deposit written off	160	-
Fixed assets written off	2,310	-
Bank interest income	(395)	(655)
Interest on term loan	69,011	70,142
Reversal of allowance for credit losses	(476)	-
Operating profit before working capital changes	425,033	167,333
Changes in working capital: -		
Trade and other receivables	(509,988)	(339,793)
Trade and other payables and advance income	268,622	(133,832)
Deferred income	(12,043)	(41,162)
	(253,409)	(514,787)
Cash generated from/(used in) operations	171,624	(347,454)
Interest received	395	655
Taxation paid	(417)	(10,758)
Net cash generated from/(used in) operating activities	171,602	(357,557)
Cash flows from investing activity		
Purchase of fixed assets, being net cash used in investing activity	(3,915)	(18,891)
Cash flows from financing activity		
Repayment of term loan, being net cash used in financing activity	(172,011)	(165,646)
Net decrease in cash and cash equivalents	(4,324)	(542,094)
Cash and cash equivalents at beginning of the year	1,106,140	1,648,234
Cash and cash equivalents at end of the year (Note 12)	1,101,816	1,106,140

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

SINGAPORE RETAILERS ASSOCIATION AND ITS SUBSIDIARY COMPANY

(Registration No: S77SS0005G)

(Registered in the Republic of Singapore)

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

1. GENERAL

The association is registered and domiciled in the Republic of Singapore. The registered office is situated at 1 Coleman Street #05-11B, 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 2018 were authorised for issue on the date of the Statement by Council Members.

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 the 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 judgements 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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

b) Functional and foreign currency (cont'd)

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 at 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.

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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

c) Subsidiary and basis of consolidation (cont'd)

ii) Basis of consolidation (cont'd)

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

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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

e) Financial assets (cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

g) Impairment of non-financial assets (cont'd)

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.

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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

j) Deferred income (cont'd)

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.

Sponsorships and grants are accrued as income based on the letter of offers from sponsors and grantors. Such grants are included in seminars and events account in the Statement of Comprehensive Income.

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.

3. SIGNIFICANT ACCOUNTING POLICIES (cont'd)

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 or is a member of the management personnel of the entity (or a parent of the entity).

4. SURPLUS FROM SEMINARS AND EVENTS, NET

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Income from seminars and events conducted: -				
Golf tournament	54,150	72,550	54,150	72,550
Industry benchmarking	64,229	270,382	64,229	270,382
Job Redesign	130,000	-	130,000	-
Lead+ (development projects)	214,850	-	214,850	-
Lead+ (man power and audit fee)	143,360	-	143,360	-
NRF study mission	259,508	-	259,508	-
Promotions - GSS and SGW	953,762	778,803	953,762	778,803
Seminars	308,164	195,821	308,164	195,821
SRA ball	291,300	307,700	291,300	307,700
SRIC	94,650	57,046	94,650	57,046
Others	176,101	152,056	176,101	155,626
	2,690,074	1,834,358	2,690,074	1,837,928
Direct expenses	(1,707,115)	(1,109,168)	(1,707,115)	(1,109,168)
	<u>982,959</u>	<u>725,190</u>	<u>982,959</u>	<u>728,760</u>

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

5. OTHER INCOME

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Grants and contributions recognised	22,889	55,449	10,846	14,287
Rental income	-	-	-	44,158
Reversal of credit losses	476	-	476	-
Sundry income	585	18,212	-	4,760
	<u>23,950</u>	<u>73,661</u>	<u>11,322</u>	<u>63,205</u>

6. EMPLOYEE COSTS

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Salaries and bonuses	597,225	795,764	589,025	674,769
Employer's CPF contributions	67,053	104,091	65,540	82,630
Staff benefits	16,926	18,191	16,926	17,293
	<u>681,204</u>	<u>918,046</u>	<u>671,491</u>	<u>774,692</u>

Included in employee costs were key management personnel compensation: -

Salaries and bonuses	155,400	230,774	155,400	172,186
Employer's CPF contributions	15,750	28,400	15,750	18,435
Staff benefits	8,400	7,900	8,400	7,900
	<u>179,550</u>	<u>267,074</u>	<u>179,550</u>	<u>198,521</u>

7. INCOME TAXES

a) Taxation

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Current taxation:				
- Current year	36,800	6,000	36,800	6,000
- Over provision of taxation in prior year	-	(742)	-	(742)
	<u>36,800</u>	<u>5,258</u>	<u>36,800</u>	<u>5,258</u>

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

7. INCOME TAXES (cont'd)

A reconciliation of the tax expense/(benefit) and the product of the results for the year multiplied by the statutory tax rate of 17% (2017: 17%) is as follows:

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Profit/(Loss) before taxation	251,197	(31,728)	227,042	27,992
Tax expense/(benefit) at statutory rate of 17%	42,703	(5,394)	38,597	4,759
Non-deductible expenses	27,659	21,082	32,091	16,074
Non-taxable income	(1,958)	(6,145)	(81)	-
Stepped income exemption	(25,925)	(10,841)	(25,925)	(10,841)
Tax rebate	(10,000)	(3,997)	(10,000)	(3,997)
Deferred tax assets not recognised	2,203	11,290	-	-
Others	2,118	5	2,118	5
	36,800	6,000	36,800	6,000
Over provision of taxation in prior year	-	(742)	-	(742)
	36,800	5,258	36,800	5,258

b) Movements in provision for taxation

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
At beginning of the year	6,000	11,500	6,000	11,500
Income tax paid	(417)	(10,758)	(417)	(10,758)
Current year taxation	36,800	6,000	36,800	6,000
Over provision of taxation in prior year	-	(742)	-	(742)
At end of the year	42,383	6,000	42,383	6,000

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

8. FIXED ASSETS

THE GROUP

	Freehold office building	Computers & software	Furniture, fittings, equipment & renovations	Library books & training aids	Total
	\$	\$	\$	\$	\$
Cost: -					
As at 1 October 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
Additions	-	-	1,715	2,200	3,915
Disposals / write offs	-	(24,696)	(91,144)	-	(115,840)
As at 30 September 2018	5,885,546	11,904	148,598	3,040	6,049,088
Accumulated depreciation: -					
As at 1 October 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
Charge for the year	58,855	7,936	30,123	341	97,255
Disposals / write offs	-	(24,696)	(88,794)	-	(113,490)
As at 30 September 2018	210,898	11,904	53,004	621	276,427
Net carrying amount: -					
As at 30 September 2018	5,674,648	-	95,594	2,419	5,772,661
As at 30 September 2017	5,733,503	7,936	126,352	560	5,868,351

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). During the year, the group appointed Ramasamy Dhinakaran (President) and Ong Sioe Hong (Vice-president) as the trustees for the property, whilst Jannie Chan Siew Lee was removed. At date of this report, the group is in the process of changing the trustees with the Singapore Land Authority.

The property is mortgaged to bank as security for term loan granted (Note 14).

The depreciation charge on furniture, fittings, equipment and renovations includes \$11,044 (2017: \$25,967) funded by the MTI grants.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

8. FIXED ASSETS (cont'd)

THE ASSOCIATION

	Freehold office property	Computers & software	Furniture, fittings, equipment & renovations	Library books & training aids	Total
Cost: -	\$	\$	\$	\$	\$
As at 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
Additions	-	-	1,715	2,200	3,915
As at 30 September 2018	5,885,546	11,904	148,598	3,040	6,049,088
Accumulated depreciation: -					
As at 1 October 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
Charge for the year	58,855	7,936	14,974	341	82,106
As at 30 September 2018	210,898	11,904	53,004	621	276,427
Net carrying amount: -					
As at 30 September 2018	5,674,648	-	95,594	2,419	5,772,661
As at 30 September 2017	5,733,503	7,936	108,853	560	5,850,852

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

9. INVESTMENT IN SUBSIDIARY COMPANY

	THE ASSOCIATION	
	2018	2017
	\$	\$
Unquoted equity shares, at cost	43,400	43,400
Impairment loss	(43,400)	-
	<u>-</u>	<u>43,400</u>

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% (2017: 100%) in TRAS.

The principal activities of TRAS 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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade receivables	643,923	396,573	637,952	422,295
Membership fee receivable	60,564	262,323	60,564	262,323
Less: Allowance for credit losses	(11,610)	(12,915)	(5,639)	(12,915)
	<u>692,877</u>	<u>645,981</u>	<u>692,877</u>	<u>671,703</u>
Unbilled revenue	9,700	-	9,700	-
Deposits	2,180	2,160	2,180	2,000
Prepayments	34,660	80,252	34,660	79,069
Grants receivable from SDF	-	99,869	-	27,918
Grants receivable from ESG (p.k.a. SPRING Singapore)	831,530	313,608	831,530	313,608
Grant receivable from STB	250,000	176,470	250,000	176,470
Sundry receivables	-	(1,726)	-	(1,726)
	<u>1,820,947</u>	<u>1,316,614</u>	<u>1,820,947</u>	<u>1,269,042</u>

Movements in allowance for credit losses are as follows: -

At the beginning of the year	12,915	-	12,915	-
Allowance charged for the year	5,971	12,915	-	12,915
Bad debts written off	(6,800)	-	(6,800)	-
Reversal during the year	(476)	-	(476)	-
At the end of the year	<u>11,610</u>	<u>12,915</u>	<u>5,639</u>	<u>12,915</u>

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

10. TRADE AND OTHER RECEIVABLES (cont'd)

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	
	2018	2017	2018	2017
	\$	\$	\$	\$
Past due but not impaired: -				
Less than 30 days	79,872	214,744	79,872	218,681
31 to 60 days	195,162	117,487	195,162	120,675
61 to 90 days	269,501	22,693	269,501	26,630
Over 90 days	148,342	291,057	148,342	305,717
	<u>692,877</u>	<u>645,981</u>	<u>692,877</u>	<u>671,703</u>

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 and services for events.

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

11. AMOUNT DUE FROM A SUBSIDIARY COMPANY

Amount due from a subsidiary company is non-trade, unsecured, interest-free and repayable on demand.

12. CASH AND CASH EQUIVALENTS

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Cash on hand	308	62	307	61
Cash at bank	<u>1,101,508</u>	<u>1,106,078</u>	<u>971,731</u>	<u>1,059,290</u>
	<u>1,101,816</u>	<u>1,106,140</u>	<u>972,038</u>	<u>1,059,351</u>

13. DEFERRED INCOME

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

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Grants from Ministry of Trade & Industry	188,872	189,871	-	-
Deferred capital grant	-	11,084	-	-
Retail Partners' Funds	<u>2,984</u>	<u>2,984</u>	<u>-</u>	<u>-</u>
	<u>191,856</u>	<u>203,939</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

13. DEFERRED INCOME (cont'd)

Deferred income can be further analysed as follows: -

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Presented as:				
Current liabilities	191,856	203,899	-	-
Non-current liabilities	-	40	-	-
	<u>191,856</u>	<u>203,939</u>	<u>-</u>	<u>-</u>

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

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

a) Grants from Ministry of Trade and Industry

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Balance at beginning of the year	189,871	205,066	-	-
Amounts recognised as income	(999)	(15,195)	-	-
Amounts transferred to deferred capital grants	-	-	-	-
Balance at end of the year	<u>188,872</u>	<u>189,871</u>	<u>-</u>	<u>-</u>

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.

b) Deferred capital grant

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
At cost: -				
At the beginning of the year	78,833	108,134	-	-
Additions for the year	-	-	-	-
Written off for the year	(78,833)	(29,301)	-	-
At the end of the year c/f	<u>-</u>	<u>78,833</u>	<u>-</u>	<u>-</u>

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

13. DEFERRED INCOME (cont'd)

b) Deferred capital grant (cont'd)

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Less accumulated amortisation: -				
At the beginning of the year	67,749	71,083	-	-
Amortisation for the year	11,044	25,967	-	-
Written off for the year	(78,793)	(29,301)	-	-
At the end of the year	-	(67,749)	-	-
Net carrying amount at end of the year	*-	*11,084	-	-

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 \$Nil (2017: \$40) is presented as non-current liabilities.

c) Retail Partners' Funds

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Balance at beginning of the year	2,984	2,984	-	-
Amounts recognised as income	-	-	-	-
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.

14. TERM LOAN

	THE GROUP AND ASSOCIATION	
	2018	2017
	\$	\$
Property loan	2,755,528	2,858,528
Amount repayable within one year	(98,959)	(84,212)
Amount repayable after one year	2,656,569	2,774,316

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

14. TERM LOAN (cont'd)

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

	THE GROUP AND ASSOCIATION	
	2018	2017
	\$	\$
Amount payable after one year but within five years	421,155	330,357
Amount payable after five years	2,235,414	2,443,959
Amount repayable after one year	2,656,569	2,774,316

The term loan is repayable over 25 years commencing from March 2015. The term loan is secured by mortgage over freehold office property (Note 8).

Interest is charged at 2.38% to 4.13% (2017: 2.38%) per annum.

15. TRADE AND OTHER PAYABLES AND ADVANCE INCOME

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Trade payables	35,067	55,266	-	-
Subscription and course fees received in advance	153,741	185,097	153,741	178,579
Advance billings	50,540	116,703	50,540	116,703
Deposit received	-	-	-	3,272
Other payables	350,311	257,647	350,173	257,509
Accruals	106,678	176,210	101,978	166,097
GST payable	18,449	17,352	18,407	18,469
Unutilised grants	776,528	414,417	776,528	414,417
	1,491,314	1,222,692	1,451,367	1,155,046

Trade payables are normally settled within 30 days (2017: 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 ESG collectively for the National Retail Scholarship, SME Talent Programme and LEAD+ programme. The grants are utilised for funding of publicity expenses in promoting the scholarship scheme, for the funding of scholarships and manpower cost, and for development projects respectively.

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

Trade and other payables and advance income are denominated in the following currencies:-

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
Great Britain Pound	23,400	-	23,400	-
Singapore dollar	1,467,914	1,222,692	1,427,967	1,155,046
	1,491,314	1,222,692	1,451,367	1,155,046

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

16. 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	
	2018	2017
	\$	\$
With subsidiary company: -		
Payment on behalf for subsidiary company	76,945	-
Bad debts written off - trade	25,221	-
Rental charged to subsidiary company	-	44,158
Training facilities charged to subsidiary company	-	3,570

17. CLASSIFICATION OF FINANCIAL INSTRUMENTS

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

	THE GROUP		THE ASSOCIATION	
	2018	2017	2018	2017
	\$	\$	\$	\$
<u>Financial assets: -</u>				
Loans and receivables	<u>2,878,403</u>	<u>2,342,502</u>	<u>2,825,570</u>	<u>2,249,324</u>
<u>Financial liabilities: -</u>				
Liabilities, at amortised cost	<u>(4,042,561)</u>	<u>(3,779,420)</u>	<u>(4,002,614)</u>	<u>(3,718,292)</u>

18. FINANCIAL RISKS 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.

NOTES TO FINANCIAL STATEMENTS - 30 SEPTEMBER 2018

18. FINANCIAL RISK MANAGEMENT (cont'd)

(d) Fair values

The carrying amounts of the financial assets and financial liabilities approximate the fair values of these assets and liabilities, due to their short-term nature.

The carrying amounts of borrowings approximate their fair values as they bear interest at rates which are comparable to current incremental borrowing rates for similar type of borrowing.

----- **End of the Audited Financial Statements** -----