



Annual Report
2014

SID
SINGAPORE
INSTITUTE OF
DIRECTORS

Annual General Meeting
18 November 2014



Mission

To foster good governance and ethics in corporate leadership.

Vision

To be the national association advancing the highest level of ethical values, governance, and professional development of directors.

Corporate Information

Registration Singapore Institute of Directors (SID), a public company limited by guarantee, is incorporated under the Companies Act, Cap. 50 (Registration No. 199803504W).

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Advocates & Solicitors

Auditors KPMG LLP

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SID ANNUAL REPORT 2014

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CHAIRMAN'S & EXECUTIVE DIRECTOR'S REPORT

Dear Members

The Year of the Horse has kept all of us at SID galloping at a fast pace throughout the year. We embarked on a number of new initiatives as we continued enhancing existing ones in line with the strategic directions set out in last year's report.

The focus of our many programmes are clustered around three objectives:

- Serving our members well
- Enhancing our influence in the corporate governance ecosystem
- Scaling up the organisation

Serving Members

As a membership-based organisation, meeting the needs of our constituents is paramount. Among these needs, professional development and being a voice for directors is especially important.

For professional development, Vice Chair Yvonne Goh and her Professional Development Committee conducted a review of the developmental needs of directors and developed a comprehensive curriculum map. This has resulted in some modifications to our existing courses as well as the identification of new offerings. During the year we introduced three new courses, and will roll out five additional ones in 2015.

At the same time, we introduced a Continuing Professional Development policy for SID membership, similar to that of other professional bodies.

Being a voice for directors requires us to have a good grasp of the issues facing boards and directors, and influencing other stakeholders in the corporate ecosystem.

Enhancing Influence

In the last year, Vice Chair Adrian Chan has considerably expanded the size of the Advocacy and Research Committee and its initiatives.

We produced the latest edition of the biennial *Board of Directors Survey* in December 2013.

We are adding to this, a second biennial study in alternate years. The inaugural *Singapore Directorship Report* will be published in November 2014.

Perhaps the most visible of our advocacy initiatives is the weekly column, "Boardroom Matters" that appears in *The Business Times* and its online portal, *BT Invest*.

Our flagship SID Directors' Conference this year has taken the high road to looking at the future of capitalism and its implications for boards. The conference also took on a new format with the introduction of a Social Enterprise Marketplace and the Social Enterprise Pitch.

We are pleased that The Business Times invited the Institute of Singapore Chartered Accountants (ISCA) and SID to co-organise a renewed Singapore Corporate Awards going forth. Leading to the awards gala, we held an inaugural Singapore Corporate Awards seminar on "Driving Excellence in Corporate Governance".

During the year, SID together with the Centre for Governance, Institutions and Organisations (CGIO) of the NUS Business School were re-appointed by the MAS to score and rank Singapore listed companies for the ASEAN Corporate Governance Scorecard.

The SID Council has also worked proactively to be an integral part of the corporate ecosystem that impacts on directorship in Singapore. SID Council members sit on key boards and committees and contribute to relevant forums. SID has ongoing collaborations with the regulators (MAS, ACRA, SGX); universities (INSEAD, NTU, NUS, SMU and UniSIM); the major public accounting, law, human resource and search firms; and professional bodies such as ISCA, The Law Society of Singapore and WomenCorporateDirectors.

On the international front, we joined the Global Network of Director Institutes and contribute to regional forums such as the OECD Asian Roundtable on Corporate Governance.

Scaling up the Organisation

As the number and scale of initiatives increases, we have correspondingly enhanced our organisational infrastructure.

The number and size of committees have increased. We now have about 70 volunteers helping out in some 14 committees. The strengthening of our secretariat of 10 staff is ongoing.

Significant efforts have been spent on institutionalising and enhancing our internal processes. The SID Governing Council Handbook, a Finance Manual and a Human Resource Manual were completed during the year.

A Brand Visual Guide was developed and a more consistent look and feel is being implemented across our several communication vehicles. The SID Directors' Bulletin was revamped. The redesign of the SID Website and development of several collaterals are in progress.

We are rolling out corporate and individual membership campaigns at the end of 2014. During the year, we increased the number of SID Fellows to recognise those with substantive experience and standing in directorships.

We took on additional space at Capital Tower which was not immediately available when we moved in a year ago. With a total of 2,050 square feet, we now have adequate space for our administration and a Corporate Governance Resource Centre to meet the Institute's needs for the next few years.

Fortunately, our financial resources have grown in tandem with the scale of our activities. In the current growth mode, we had not targeted for much more than a breakeven financial result. Nevertheless, we ended the fiscal year with a healthy pre-tax surplus of \$357,628.

Trite but true, none of these would have been possible without the support and efforts of all our partners, volunteers, Council and staff. Thank you.

Willie Cheng
Chairman

Penelope Phoon
Executive Director





SID programmes and activities are designed to support its role of promoting the professional development of directors and corporate leaders, being a voice for directors, and encouraging the highest standards of corporate governance and ethical conduct.





PROGRAMMES & ACTIVITIES



PROFESSIONAL DEVELOPMENT

The professional development of directors remains a primary focus of SID.

The value of continuing professional education is increasingly being recognised by directors, regulators and the corporate community. For example, the revised Code of Corporate Governance emphasises on the importance of regular training and requires companies to disclose in their annual reports the training provided to their directors. In line with this, SID undertook two major initiatives in this area in the last year.

Continuing Professional Development

First, a Continuing Professional Development (CPD) policy was introduced, effective from 1 January 2014.

The policy requires all Ordinary Members and Fellows to record a minimum of 60 CPD hours over a rolling three year period with a minimum of 24 hours verifiable education.

The policy was implemented to ensure directors develop and maintain the skills and competencies to enable them to perform their directorial responsibilities effectively.

Expanded Curriculum

Second, a review of developmental needs for the different types of directors in their directorship journeys was undertaken. These needs were then mapped against existing courses. Refinements were made to existing courses and new course offerings identified to fill the gaps.

The curriculum map below provides a framework for communicating SID's professional development offerings for directors.

Focus	Hot Topics (Talks, roundtables, forums, seminars)		
	Chairmen's Conversation		
Updates	Annual Corporate Governance Round-Up		
		Corporate Governance Updates for ListCos	
Advanced	INSEAD-SID International Directors Programme		
		SID-SMU Directorship Programme	
Essentials	Listed Company Director Programme		
		Effective Board Leadership Programme	
		Directors Financial Reporting Essentials	
Fundamentals		Board and Director Fundamentals	
		Directors Compliance Programme	
		So, You Want to be a Director?	
	ListCo (International)	ListCo	Private



Nominating Committee Chairmen's Conversation on "Board Building"



SID and INSEAD sign MOU on International Directors Programme



Graduation Ceremony for the SID-SMU Directorship Programme 2014



LCD Essentials conducted in Beijing

New Course Offerings

As a result of the curriculum framework, three new professional development courses were implemented during the year:

- So, You Want To Be A Director?: an introduction for aspiring directors on the regulatory environment, director duties and liabilities, and due diligence before accepting a directorship.
- INSEAD International Directors Programme: an SID collaboration with INSEAD to bring to Asia its acclaimed programme for effective directorship in an international setting.
- Chairmen's Conversations: peer engagement among selected chairmen of boards or the respective board committees in a facilitated setting over a meal.

In addition, five courses are in various stages of courseware development and will be rolled out in late 2014 and early 2015:

- Directors Compliance Programme: a course commissioned by ACRA to address directors' compliance of their statutory and fiduciary duties.

- Board and Director Fundamentals: a one-day course on the basics of directorship and corporate governance for new directors.
- Directors Financial Reporting Essentials: a collaboration with ISCA and supported by ACRA on financial reporting for non-financial directors.
- Corporate Governance Updates for Listcos: customised updates on regulation, law and accounting for individual boards.
- Corporate Governance Roundup: a summary of the year's corporate governance happenings.

Course Conduct

In the meantime, conducts of existing and new courses took place throughout the year, with the support of our many professional development partner organisations.

The conducts of these sessions are listed on the next two pages.

In total, the Institute conducted 59 professional development sessions, reaching 2,400 participants (not including the SID Directors' Conference).

PROFESSIONAL DEVELOPMENT

Schedule of SID's Core Professional Development Offerings for Directors (1 October 2013 to 30 September 2014)

Chairmen's Conversations	
These are facilitated peer exchanges of boards' or board committees' chairmen on topics of interest over breakfast, lunch or dinner.	
Board Chairmen's Conversation (with Bain & Co) The Role of the Board in Strategy Crisis Management and Communications	22 Nov 2013 13 Jun 2014
Board Risk Committee Chairmen's Conversation (with PwC) Recognising Risks, Building Trust	7 May 2014
Nominating Committee Chairmen's Conversation (with Russell Reynolds Associates) Board Building – Succession & Diversity	6 Aug 2014
Audit Committee Chairmen's Conversation (with Ernst & Young) Technology, Cyber Risk and the Audit Committee	16 Oct 2014 (scheduled)

INSEAD International Directors Programme	
International Directors Programme takes experienced directors beyond compliance by focusing on excellence in board practice in an international setting. It offers the INSEAD Certificate in Corporate Governance.	
IDP 1: Board Effectiveness and Dynamics	22 – 25 Jun 2014
IDP 2: Board Decision Making and Oversight	29 Sep – 1 Oct 2014
IDP 3: Director Effectiveness and Development	15 – 18 Dec 2014 (scheduled)

SID-SMU Executive Certificate/Diploma in Directorship	
This is the first such programme in Singapore to offer formal certification on directors' training. Its aim is to equip directors with a broad range of knowledge to enable them to contribute meaningfully to boardroom deliberations.	
SDP1: The Role of Directors – Duties, Responsibilities & Legal Obligations	27 – 29 Nov 2013 14 – 16 Apr 2014 23 – 25 Sep 2014
SDP 2: Assessing Strategic Performance – The Board Level View	21 – 23 Oct 2013 23 – 25 Jun 2014
SDP 3: Finance for Directors	4 – 6 Nov 2013 26 – 28 May 2014
SDP 4: Risk & Crisis Management	10 – 11 Jul 2014
SDP 5: Strategic Corporate Social Responsibility & Investor Relations	11 – 12 Aug 2014
SDP 6: Effective Succession Planning & Compensation Decisions	8 – 9 Sep 2014

Listed Company Director Programme (LCD)	
LCD is the first of its kind to focus on the comprehensive training of listed company directors. A mandarin version of LCD is also delivered in China.	
LCD 1: Listed Company Director Essentials	17 Oct 2013 16 Jan 2014 18 Mar 2014 6 May 2014 9 Jul 2014
LCD 2: Audit Committee Essentials	20 Mar 2014 10 Jul 2014 17 Sep 2014
LCD 3: Risk Management Essentials	28 Mar 2014 10 Jul 2014 18 Sep 2014
LCD 4: Nominating Committee Essentials	22 Oct 2013 3 Apr 2014 11 Jul 2014
LCD 5: Remuneration Committee Essentials	24 Oct 2013 3 Apr 2014 11 Jul 2014
LCD 6: Investor and Media Relations Essentials	11 Oct 2013 16 Apr 2014 11 Jul 2014
Listed Company Director Essentials Mandarin Programme in China	21 – 22 Nov 2013
The Essentials of Corporate Governance in Yangon	4 Oct 2013

Effective Board Leadership (EBL)	
EBL focuses on developing the effectiveness of the director at the individual and collective board level.	
EBL 1: The Effective Board	9 Oct 2013 24 April 2014
EBL 2: The Board & Fund Raising	9 Oct 2013 15 May 2014
EBL 3: Enterprise Risk Management	10 Oct 2013 22 May 2014
EBL 4: Financial Literacy & Governance	10 Oct 2013 30 May 2014

So, You Want to be a Director?	
This is a high level introduction to the corporate directorship landscape, duties, liabilities and due diligence needed for aspiring directors.	
	28 May 2014

**Schedule of Other Professional Development Sessions for Directors
(1 October 2013 to 30 September 2014)**

Date	Professional Development Session
28 Nov 2013	SID Breakfast Talk: Corporate Governance as Value Creation, but What and Whose Value?
4 Dec 2013	SID - PwC: Highlights on Anti-Bribery and Corruption
21 Jan 2014	SID - EY: When a Crisis Hits - Lessons in Proactive Risk Management
27 Jan 2014	SID - IIA and Protiviti: The Revised COSO Internal Control Framework-What's Changed, Why and So What? What You Need to Know
28 Jan 2014	SID - INSEAD: Launch of IDP and Creating High Performance Boards
25 Feb 2014	SID - Hay Group: 2013 Hay Group Survey on Director & Executive Pay - Re - evaluating Rewards
17 Mar 2014	SID Board of Directors Survey: Real Governance Issues for Singapore Inc
4 Apr 2014	SID - CGIO: The ASEAN Corporate Governance Scorecard
16 Apr 2014	SID - DPI: Case Study in Strategic Thinking: The Abacus Story - Transforming Your Business
19 May 2014	SCA Seminar 2014: Driving Excellence in Corporate Governance
24 Jun 2014	SID - KPMG: Anti - Money Laundering Director's Briefing - Is Your Board At Risk?
24 Jul 2014	SID - IIA: 20 Questions Directors Should Ask
3 Sep 2014	SID Directors' Conference: Towards The New Capitalism



Roundtable on "Value Creation" with Ambassador Linda Tsao



Forum on "When Crisis Hit"



Director's Briefing on "Anti-Money Laundering"



Talk on "Top 20 Questions Directors Should Ask"

ANNUAL CONFERENCE



Panelists on "Tomorrow's Capitalism"

SID's flagship annual director's conference took place on 3 September 2014 at the Grand Ballroom of Marina Bay Sands Singapore. A record of more than 650 participants attended the event themed: "Towards The New Capitalism".

Tomorrow's Capitalism

The morning of the conference was focused on the subject of the new capitalism and how it is being manifested.

SID Chairman Willie Cheng set the stage by highlighting the unintended consequences of unfettered capitalism as well as the efforts to move to a more compassionate form of capitalism.

Ms Grace Fu, Minister in the Prime Minister's Office and guest-of-honour of the event described the global trends shaping the economic landscape, and the need for a more responsive and responsible capitalism built upon the principles of adaptability, diversity and sustainability.

In his keynote address, John Elkington, Chairman of Volans spoke of the evolution from the Triple Bottom Line (a term which he coined in 1994) to Tomorrow's Bottom Line. He believes that the world is poised for a "Breakthrough Decade" which will coincide with the next round of the UN Millennium Development Goals, the Sustainable Development Goals in 2015.

The morning plenary panel had a very vibrant discussion with the audience on the different perspectives of the new capitalism and how elements of it are working in practice. Professor Tommy Koh (Ministry of Foreign Affairs) very ably moderated the panel which comprised Ms Euleen Goh (Singapore International Foundation), Mr Lim Boon Heng (Temasek Holdings and NTUC Enterprise), Mr Peter White (World Business Council for Sustainable Development), Mr Stephen B. Young (Caux Roundtable), and Mr John Elkington.



Today's Capitalism

In the late afternoon, participants were brought back to the tough realities of today's corporate environment and the steps that corporations can take to better respond to the expectations of the next generation.

The afternoon keynote, Mr Magnus Bocker, CEO of SGX described the evolution of corporate governance in Singapore and Asia over the last fifteen years and what is expected to change over the next ten years.

The panel which followed discussed some of the hot button issues of gender diversity, quarterly

reporting and sustainability reporting. The panel comprised Mr Till Vestring (Bain & Co) as moderator and panellists included, Mr JY Pillay (Securities Industry Council), Mr Peter Seah (DBS Group Holdings), Ms Susan Stautberg (WomenCorporateDirectors) and Mr Magnus Bocker.

Social Enterprises

A special feature of this year's event was the presence of social enterprises – businesses with social missions.

Mr Robert Chew, board member of the National Council of Social Services described the landscape of the 200 plus social enterprises in Singapore.

During lunch, the Social Enterprise Marketplace showcased 28 of these social enterprises in a bazaar setting. Participants were able to interact with the social entrepreneurs helping these enterprises while enjoying their lunch.

After lunch, participants listened to pitches made by these social enterprises and casted their votes. The winner, ECOSOFTT walked away with a \$10,000 prize donated by DBS Bank.



Minister Grace Fu



The Social Enterprise Marketplace

ADVOCACY AND RESEARCH



Panellists at the Forum on the BOD Survey

As the champion for matters relating to directors in Singapore, the Institute stays in touch with corporate governance issues and influencers, conducts research, communicates its views, and provides guidance to directors.

Research

The biennial *Board of Directors Survey 2013* was published at the beginning of the year. The study was undertaken in collaboration with SGX, Aon Hewitt, Egon Zehnder and PwC. The survey canvassed the views of SGX listed companies on corporate governance and directorship issues. A forum was held in March 2014 to discuss the survey findings, where remuneration and risk management emerged as the most challenging issues faced by Singapore boards.

Work also began in early 2014 on an inaugural *Singapore Directorship Report* on the state of directorship across all listed companies in Singapore. The study is being undertaken in collaboration with ISCA, SGX, NTU, NUS, Handshakes and Deloitte. The results will be published in November 2014.

Advocacy

A major new initiative launched at the start of 2014 was a weekly column, “Boardroom Matters”, published by *The Business Times* (every Monday) and its online portal, *BT Invest* (on Friday). The column features thought leadership articles that run the gamut of corporate governance and directorship issues authored by SID Council and Committee members.

With only 8 percent of female directors among SGX listed companies, gender diversity took centre stage as an issue in several forums. SID set up a Diversity Sub-Committee to focus on board diversity issues. At the same time, the Institute has committed to several actions to help increase the supply of board-ready female members.



Yvonne Goh (left centre) at the WomenCorporateDirectors 2014 Asia Institute Forum

SID's *Statements of Good Practice (SGP)* have been developed to provide guidelines on fundamental issues to boards. During the year, *SGP 13 on Whistle-Blowing Policy* was issued.

Network

SID was invited to and joined the Global Network of Director Institutes (GNDI), the international association of national directors' organisations. SID is on the Policy Committee of GNDI.

In addition, SID representatives spoke at regional forums such as the OECD Asian Roundtable on Corporate Governance, the inaugural ASEAN Corporate Governance Summit by the Malaysian Institute of Corporate Governance, the International Corporate Governance Network Conference, and WomenCorporateDirectors' Asia Institute 2014.

SID and its Council members have also contributed at various local forums and feedback sessions including:

- ISCA: Forum on Future of Auditor Reporting, Pre-Budget Roundtable on Restructuring Towards Higher Value, and its Integrated Reporting Steering Committee
- ACRA: Consultation on financial reporting surveillance programme
- Singapore Accounting Commission and Asia Centre of Excellence for Internal Audit: Roundtable on defining Internal Audit
- Law Society of Singapore: LawAsia Conference
- SMU: Business Leaders Forum, and Conference on Corporate Governance & Sustainable Economic Development in Asia

SID Council members sit in various boards and committees of organisations in the corporate governance ecosystem, including Accounting Standards Council, ACRA, CPA Australia, Diversity Action Committee, ISCA, Law Society of Singapore, SMU, NTU, NUS, SIM, Securities Industry Council, Singapore Corporate Counsel Association, SGX, Singapore International Chamber of Commerce, Singapore Venture Capital Association, and WomenCorporateDirectors.



Adrian Chan at ISCA's Pre-Budget Roundtable

COMMUNICATIONS



2014 was a year of renewals and new beginnings. The basic pillars of branding and communication were reviewed, refreshed and revamped to be more relevant to the SID membership and to better reflect its positioning as the national association for directors in Singapore.

Visual Identity

At the beginning of the year, the Institute refreshed its logo. The new logo is a perfect square to allow for its easy placement and greater visibility of the name of the institute.

This was further developed into a Brand Visual Guide to serve as the design policy and guidelines for SID's look and feel in all its communication vehicles and collaterals.

A Corporate Membership brochure was subsequently produced. In the works are an Individual Membership brochure and a Professional Development booklet.

Publications

The bi-monthly communication vehicle for the Institute, the *SID Directors' Bulletin*, was revamped at the beginning of the year. The redesign was not only in terms of its refreshing new look (including font size for the senior generation), but also its editorial contents to be more topical, focussed on local trends, developments and issues, and restyled with improved layouts, photos and illustrations. Overall, the now quarterly *SID Directors' Bulletin* has received positive response from members.



The editorial focus for the 2014 issues are:

- Boards Balancing Increasingly Demanding Issues
- Unveiling of the ASEAN Corporate Governance Scorecard
- The New Capitalism
- Best Practices in Corporate Governance

In addition, SID produced a booklet with articles contributed by speakers and partners of the SID Directors' Conference 2014 on topics related to Today's and Tomorrow's Capitalism.

Website

SID conducted an on-line survey of its members to gather feedback on how it can improve its website and services. Following a review of the feedback, a special task force has identified enhancements and improved features as well as tendered and awarded a contract to a third-party website developer for the implementation of a new website and intelligent membership database. The new website is expected to be launched in the first quarter of 2015.

Media

Throughout the years, SID has been proactively engaging the media. News releases were issued for major events and statements issued on SID's position on various issues related to directors and corporate governance. These include governance structures, financial reporting surveillance, AGMs, quarterly reporting, changes to SGX Rules and Code compliance.

CORPORATE GOVERNANCE BENCHMARKS & AWARDS



Panellists at the ASEAN CG Scorecard Forum

SID promotes excellence in corporate governance through its efforts in benchmarking and awards.

ASEAN Corporate Governance Scorecard

The ASEAN Corporate Governance Scorecard was started in 2011 by the Asian Development Bank (ADB). It seeks to provide a common framework for assessing the corporate governance practices of listed companies across six countries (Indonesia, Malaysia, Philippines, Singapore, Thailand and Vietnam) in ASEAN.

SID and the Centre for Governance, Institutions & Organisations (CGIO) of the NUS Business School have been appointed by the MAS as the Domestic Ranking Body for Singapore, and SID Immediate Past Chairman John Lim appointed as the CG Expert for the Scorecard from 2013. SID and CGIO organised a forum in April 2014 to introduce and present the 2013 Scorecard results to the corporate community in Singapore.

In his guest-of-honour address, MAS Executive Director Ng Yao Loong called for collective efforts like the Scorecard to “showcase and enhance the

visibility and investability of well governed ASEAN listed companies internationally”. Keynote speaker from ADB, Encik Mohd Sani Ismail’s assertion that the Scorecard is a vehicle for branding ASEAN “as an asset class” created much debate among panellists.

Singapore Corporate Awards

The Business Times has been the organiser of the prestigious Singapore Corporate Awards for the last eight years. This year, it invited Institute of Singapore Chartered Accountants (ISCA) and SID to join as co-organisers to renew the awards with the tagline, “Celebrating the Best in Corporate Governance”.

Leading up to the awards gala, the three parties organised an inaugural Singapore Corporate Awards Seminar with the theme, “Driving Excellence in Corporate Governance” on 19 May 2014 (see Programmes & Activities divider page).

The black-tie gala was held Oscar-style at Resorts World Sentosa with President Tony Tan Keng Yam as the guest-of-honour.

Singapore Corporate Awards Winners

	Market Cap \$1b and above	Market Cap \$300m to under \$1b	Market Cap Under \$300 m
Best Managed Board Award			
Gold	DBS Group Holdings Sembcorp Industries	CSE Global	Baker Technology
Silver	Keppel Corporation	Tuan Sing Holdings	ASL Marine Holdings
Bronze	SATS	Nam Cheong	UE E&C
Best CEO	Tang Kin Fei Sembcorp Industries	Patrick Chew Midas Holdings	Glenndle Sim Mencast Holdings



Singapore Corporate Awards Gala winners



Best Managed Board Gold winners



Best CEO Award winners



Emcees Daniel Ee and Wong Su-Yen



SCA Gala was well attended by business leaders

SOCIALS



Appreciation lunch for David Conner



Demonstration of coffee brewing techniques



Talk on "Social Media and Digital Strategy"

As a membership organisation, SID seeks to address the social needs of directors.

Networking Socials

In the past year, SID organised several networking socials where SID members can eat, drink and network informally while expert speakers share on lighter business or lifestyle subjects of interest with entertainment thrown in. These include:

- Talk on “Social Media and Digital Strategy – Building Relationships That Matter” at Capital Tower on 25 October 2013. Mr Arnaud Frade of Hall & Partners shared on the changing nature of digital interactions and the role that brands can play in creating a lasting and positive engagement with clients.
- Talk on “Fit for Leisure – How to Prevent and Treat Injuries in Sports” on 21 February 2014 at Capital Tower. Dr Yegappan Muthukaruppan, an orthopaedic surgeon introduced SID members to the various treatment for sport injuries, especially those which are common to golfers.

- An experience with coffee brewing in the “What’s Brewing?” evening on 21 August 2014 at the Toby’s Estate. Members were introduced to coffee and its different origins, roast and brewing methods by Mr Terence Tan, second runner-up of the FHA Barista Championship 2014. Participants had hands-on experience with making the espresso and latte art.

In Appreciation

SID committee members were invited for a “lo-hei” lunch on 5 February 2014. They were thanked for their contributions to the Institute and briefed on the plans for the year.

The Council held an appreciation lunch for David Conner, former CEO of OCBC Bank and SID Council member. David was returning to be with his children and grandchildren in St. Louis, Missouri, USA after 37 years in Asia, 18 of which were in Singapore.



SID golfers giving the thumbs up before the shotgun tee off.

Golf

SID held its Annual Golf Tournament on Friday, 27 June 2014 at the Serapong Course of Sentosa Golf Club. The event was graced by Mr Lee Yi Shyan, Senior Minister of State, Ministry of Trade and Industry and Ministry of National Development.

All 33 flights were fully subscribed by corporations. The weather was perfect with cool temperature and no rain. The tournament was based on the Double Periora format. The top team (Beng Teck Liang, Michael Chye, Soh Kok Leong and Darryl Wee) received the Keppel Challenge Trophy and the overall individual winner, Gary Choo won the SID Challenge Trophy.

It was a fun-filled event. All the 130 golfers received their special issue of the SID Bulletin featuring each golfer on the cover as "SID Golfer of the Year". The event concluded with a networking dinner, lucky-draw and a prize-giving ceremony.



Each golfer is shown as "SID Golfer of the year" on the cover of SID Directors' Bulletin.



Gary Choo, SID Challenge Trophy winner with Minister Lee Yi Shyan.

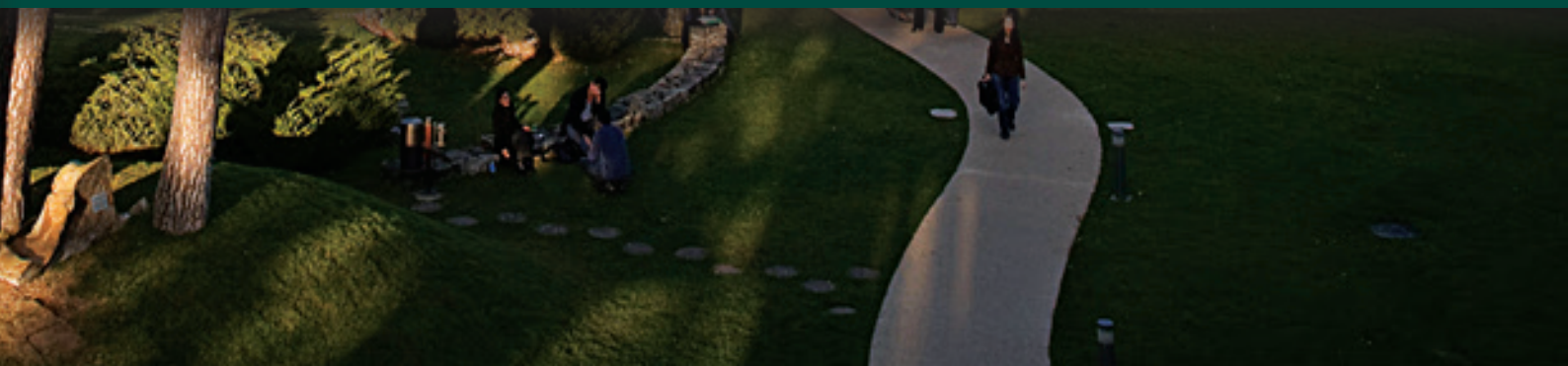


SID works closely with its members and key players of the corporate governance ecosystem, on matters related to corporate governance and directorship in Singapore. INSEAD is one of our new partners this year, joining the many organisations that have been supporting us over the past years.





STAKEHOLDERS



PARTNERS

SID wishes to thank the many organisations who have supported it in the past year.

Corporations

- Allen & Gledhill LLP
- Aon Hewitt
- ARA Trust Management (Suntec) Ltd
- Arie Darma Enterprises (S) Pte Ltd
- Asia Pacific Breweries (Singapore) Pte Ltd
- Bacardi-Martini Singapore Pte Ltd
- Bain & Company Southeast Asia, Inc.
- Bank Julius Baer & Co Ltd
- Bank of Singapore
- Bok Seng Group
- Boardroom Ltd
- Boustead Singapore Ltd
- Bumitama Agri Ltd
- Cerebos Pacific Ltd
- Citigate Dewe Rogerson i.MAGE
- CitySpring Infrastructure Management Pte Ltd
- Cold Storage Singapore (1983) Pte Ltd
- Cortina Watch Pte Ltd
- Daimler South East Asia Pte Ltd
- DBS Bank Ltd
- Decision Processes International
- Deloitte & Touche LLP
- ECS Holdings Ltd
- Egon Zehnder
- Ernst & Young LLP
- FEO Hospitality Asset Management Pte Ltd
- Fraser & Neave, Ltd
- Frasers Centrepoint Ltd
- Gas Supply Pte Ltd
- Golden Agri-Resources Ltd
- Golf Digest Singapore
- Great Eastern Life Assurance Co Ltd
- Hall & Partners
- Handshakes
- Hay Group Singapore
- Hitachi Data Systems Pte Ltd
- Isetan (Singapore) Ltd
- Jardine Cycle & Carriage Limited
- JC Howe International
- KCS Corporate Services Pte Ltd
- Keppel Corporation Ltd
- Keppel Offshore & Marine Ltd
- KPMG LLP
- Lee & Lee
- Leelloyds Marine Engineering Pte Ltd
- Lenovo Group Ltd
- Luxasia Pte Ltd
- Marina Mandarin Singapore by Meritus
- Mandarin Oriental Singapore
- Meiban Group Ltd
- Mencast Holdings Ltd
- Mercer (Singapore) Pte Ltd
- Nexia TS
- NTUC Fairprice Co-operative Ltd
- OKP Holdings Ltd
- Opal Lawyers LLC
- Outdoor Sports Travel
- Pan-West (Private) Ltd
- Parkway Hospitals Singapore Pte Ltd
- PricewaterhouseCoopers LLP
- Protiviti
- Provenance Capital Pte Ltd
- Rajah & Tann LLP
- Rodyk & Davidson LLP
- Rotary Engineering Ltd
- Russell Reynold Associates
- RSM Ethos Pte Ltd
- S&W Fine Foods International Ltd
- Sembcorp Industries Ltd
- Senoko Energy Pte Ltd
- Singapore Press Holdings Ltd
- Singapore Technologies Electronics Ltd
- Stamford Law Corporation
- StarHub Ltd
- StrategiCom Pte Ltd
- Tat Hong Holdings Ltd
- The Cocoa Trees
- Towers Watson
- Tuas Power Generation Pte Ltd
- United Overseas Bank Ltd
- Voice Caddie
- Wilmar International Ltd
- Wing Tai Holdings Ltd
- WongPartnership LLP

Other Organisations

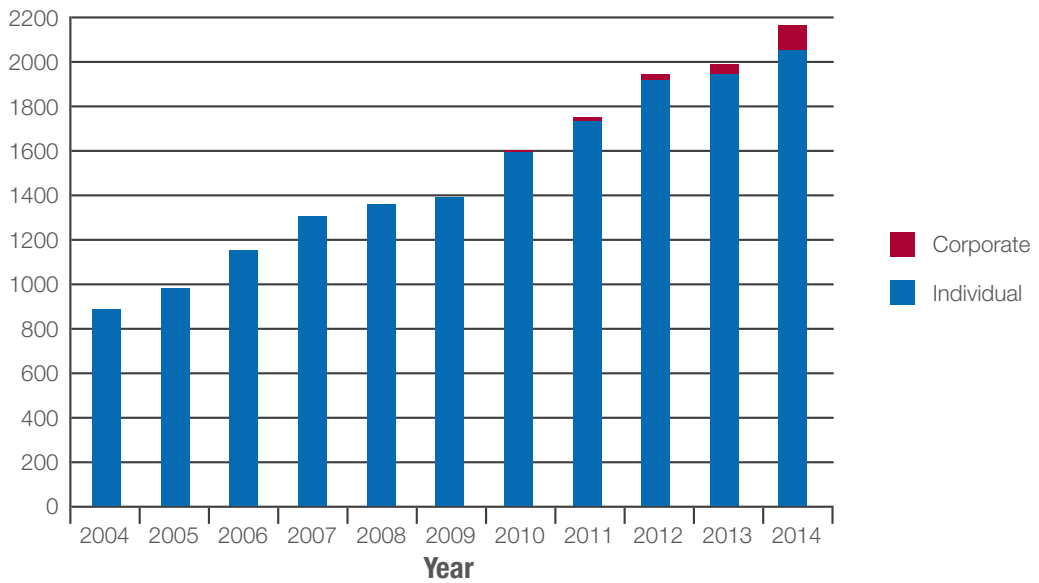
- Accounting and Corporate Regulatory Authority Singapore
- Asian Development Bank
- BCSD Singapore
- COSO
- INSEAD
- Institute of Singapore Chartered Accountants
- Monetary Authority of Singapore
- Nanyang Technological University
- National University of Singapore
- SE Association
- SE Hub
- SIM University
- Singapore Accountancy Commission
- Singapore Business Federation
- Singapore Compact
- Singapore Corporate Counsel Association
- Singapore Exchange Ltd
- The Hub Singapore
- The Law Society of Singapore
- Singapore Management University
- The Business Times
- The Institute of Internal Auditors Singapore
- WomenCorporateDirectors

MEMBERS

SID total membership has crossed the 2,000 mark. More corporates have come on board during the year. A board based membership campaign will be launched in Q4 2014.

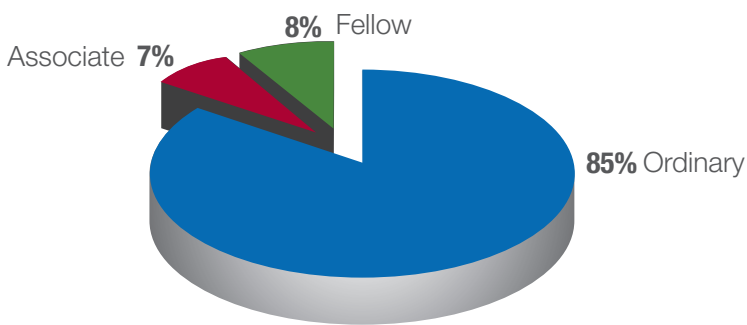
Membership from 2004 to 2014

Membership Strength

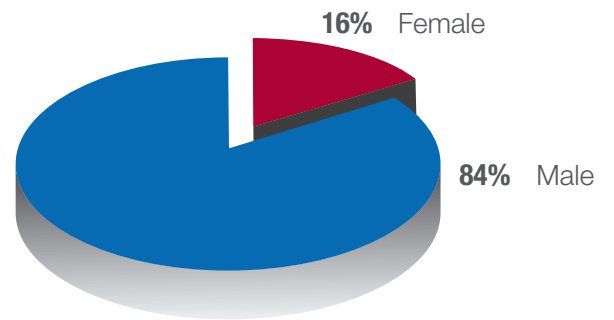


Profile of Individual Members

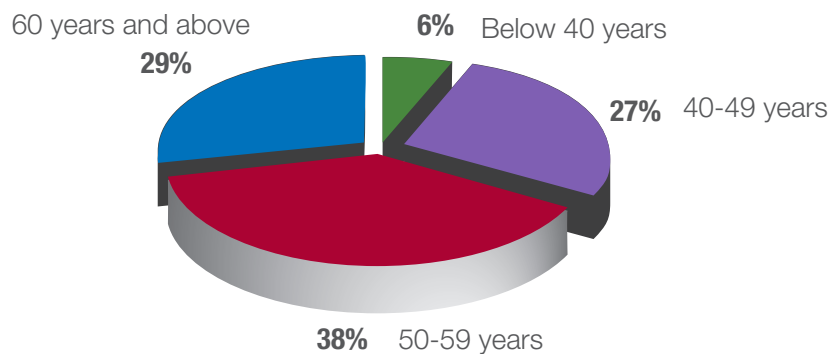
by Category



by Gender



by Age Group



GOVERNING COUNCIL

CHAIRMAN



Mr Willie Cheng is a former managing partner of Accenture. Since his retirement in 2003, he has stayed involved with the business and the infocomm community. He currently sits on the boards of UOB Bank, Far East Hospitality Asset Management, SingHealth and Integrated Health Information Systems, as well as several non-profit organisations. He writes extensively on corporate governance and non-profit matters. He is author of *Doing Good Well: What does (and does not) make sense in the nonprofit world* and co-editor of *The World That Changes The World: How philanthropy, innovation, and entrepreneurship are transforming the social ecosystem*.

VICE-CHAIRMAN

Mr Adrian Chan is Head of Corporate at Lee & Lee. He serves on the Board of ACRA and is an independent director on the boards of several listed companies on the SGX. He has been appointed to the Corporate Governance and Directors' Duties Working Group of the Steering Committee that has been established by the Ministry of Finance to rewrite the Companies Act and was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX. He has co-authored Singapore's first "Annotated Code of Corporate Governance" that is published in *Woon's Corporations Law*.



VICE-CHAIRMAN



Mrs Yvonne Goh has more than 25 years' experience in practice as a Chartered Secretary. She has assisted boards of numerous companies listed on SGX with their compliance and regulatory requirements. She was formerly a Managing Director of KCS Limited and Boardroom Limited. Mrs Goh is a Fellow of the Institute of Chartered Secretaries and Administrators, U.K., a past Board Member of ACRA, and a past Chairman of the Singapore Association of the Institute of Chartered Secretaries & Administrators. She was a member of the Inquiry Committee appointed by the Chief Justice under the Legal Profession Act and had served on the Disciplinary Committee Panel.

TREASURER

Mr Soh Gim Teik advises corporations through his firm, Finix Corporate Advisory LLP and has more than 35 years of experience in corporate advisory, finance, accounting and general management work. He has previously served as an executive director and Finance Director/CFO of Sincere Watch Limited for 15 years and was named the Best CFO of the Year at the Singapore Corporate Awards in 2006 in the Main Board Listed Companies by Market Capitalisation of below S\$500 million category. Additionally, he is also a director and finance committee chairperson in a number of charitable and non-profit organisations and regularly participates as panellist and speaker for various organisations.



IMMEDIATE PAST CHAIRMAN



Mr John Lim is the Chairman of IREIT Global Group Pte Ltd and sits on the boards, and the Audit, Remuneration and Nominating Committees of several listed and non-listed companies. He was a member of the Companies' Act Review Steering Committee and currently sits on the CFO Institute Advisory Council, Management Committee of Singapore Compact for Corporate Social Responsibility and Senate Member of the Marketing Institute of Singapore. He was also a director/council member of the Singapore International Chamber of Commerce, Singapore Confederation of Industries and the Securities Industry Council. Mr Lim was the Chairman of the "OECD Asian network on Corporate Governance for State Owned Enterprises" and remains a core member of the OECD Asian Roundtable.

COUNCIL MEMBERS

Ms Kala Anandarajah heads the Competition & Antitrust, Trade Practice and leads the Corporate Governance Practice at Rajah & Tann Singapore LLP. She is consistently cited as a leading lawyer, including being amongst the Best of the Best and Top 100 Women in Antitrust in the World. Ms Anandarajah is a board/council member on the Building & Construction Authority, Workplace Safety & Health Council, and Singapore Institute of Legal Education. Ms Anandarajah was conferred the Public Service Medal (Pingat Bakti Masyarakat) by the Singapore President for her work in WSHC. She has written widely, including on Corporate Governance/Director Duties plus on ASEAN Competition Laws, with some of her books cited in court decisions.



Mr Robert Chew is a Managing Partner of Stream Global, an early stage technology investor and incubator. He is currently a Board Member of CoSine Holdings, Pteris Global, Alexandra Health System, Yishun Community Hospital, Integrated Health Information Systems, Kwong Wai Shiu Hospital, TOUCH Community Services, Shared Services for Charities, and the National Council of Social Service. He is a Fellow of the Singapore Computer Society (SCS) and is a Council Member of the National Information Technology Standards Committee. He was awarded SCS's IT Leader of the Year in 2009, and was conferred the Public Service Medal in 2013.

Dr Wilson Chew is the Group Principal Consultant and CEO of StrategiCom – a brand strategy consulting firm. He served on the board of Swee Hong Limited and continues to serve on the board of the National Arthritis Foundation. Dr Chew holds a Doctorate of Business Administration from The University of South Australia, an MBA from The Strathclyde Business School and attended the Effective Corporate Boards program at Harvard Business School. He authored 3 books: *Transforming Your Business into A Brand - The 10 Rules of Branding*, *Killer Differentiators – 13 Strategies to Grow Your Brand* and *B2B – 10 Rules to Transform Your Business into A Brand*.



GOVERNING COUNCIL



Mr David Conner is former CEO of OCBC Bank. He joined OCBC Bank as Group CEO and Director in April 2002. He stepped down as Group CEO in April 2012 but continued to serve as a Non-Executive Director until August 2014 when he returned to the USA after 37 years in Asia – 18 in Singapore. Mr Conner was also on the board of the Singapore Olympic Foundation, the advisory board of the Lee Kong Chian Business School of SMU, and a trustee of the Singapore University of Technology and Design. He is also a trustee of Washington University in St. Louis where he also serves as Chairman of the University's International Advisory Council for Asia.

Mr Daniel Ee is the Chairman of CitySpring Infrastructure Management Pte Ltd, the Trustee Manager of CitySpring Infrastructure Trust. Mr Ee also sits on the boards of Citibank Singapore Limited and is Deputy Chairman of the Securities Industry Council. He spent 14 years in investment banking and 10 years in public service. He was with Standard Chartered Merchant Bank Asia Ltd for 10 years from 1989 to 1999, in the latter part as Chief Executive. Mr Ee was conferred the Public Service Medal in 2003.



Mr Kevin Kwok was a senior partner of Ernst & Young LLP and Head of the firm's Assurance & Advisory Business Services for Singapore and ASEAN. He is a Fellow of both the Institute of Chartered Accountants of Singapore and the Chartered Malaysian Institute of Taxation. He holds a BA (Hons) from the University of Sheffield and qualified as a Chartered Accountant with the Institute of Chartered Accountants in England & Wales, as well as the Malaysian Institute of Accountants. Mr Kwok is Chairman of the Audit Committee of SGX and has several other board commitments. He is also a member of the Accounting Standards Council of Singapore.

Mr Lim Chin Hu is the Managing Partner of Stream Global Pte Ltd. He has 30 years of experience in the technology industry and held management positions in Hewlett Packard, MD of Sun Microsystems and CEO of Frontline Technologies Corporation. He currently serves as an independent director at Kulicke & Soffa, a US NASDAQ listed company; Telstra Corporation Ltd (a ASX-listed company) and G-able (Thailand) Ltd. He is also a non-executive director at Citibank Singapore Ltd, Heliconia Capital Management Pte Ltd and Eastern Health Alliance. He previously served as a council member at Singapore Infocomm Technology Federation and a board member at Infocomm Development Authority.





Mrs Elaine Lim is the Chairman of Citigate Dewe Rogerson I.MAGE Pte Ltd. With more than 30 years' experience, she is recognised for her strong track record in capital market transactions, having supported more than 250 IPOs on Singapore Exchange. She conducts training on Investor Relations under SID's LCD professional development series for directors. She was named the PR Professional of the Year in 1995 and awarded the Lifetime PR Achievement Award in 2012 by the Institute of Public Relations Singapore. She currently serves on the board of Singapore Land Authority.

Mr Chaly Mah is the CEO and Regional Managing Director of Deloitte Asia Pacific. He is also the Chairman of Deloitte Singapore and CEO of Deloitte Southeast Asia. He has extensive experience in serving both multinational and local companies across a wide spectrum of industries and has advised companies with operations in the Asia Pacific region in the areas of mergers and acquisitions and corporate finance. Mr Mah serves on the boards of Sentosa Development Corporation and the Singapore International Chamber of Commerce. He is also the Chairman of the NUS Business School Accounting Advisory Board and recently stepped down as Chairman of the Singapore Land Authority.



Mr Andy Tan is the Chairman of Asia Pacific Real Estate Association (APREA) Singapore Chapter, a pan-Asian association for institutional real estate investors, developers and professionals whose global members collectively manage more than US\$1 trillion of assets. He was the Executive Vice President of MEAG Pacific Star Asset Management where MEAG is Munich Reinsurance asset management arm. He was also the Vice President of GIC real estate arm covering investments in Asia, Australia and Europe. To-date, he has managed multi-billion portfolios in listed/unlisted companies, REITs, funds, strategic alliances to direct investment/development assets. He also serves on the boards of SID, APREA, and the Law Society Inquiry Panel appointed by the Chief Justice.

Ms Tan Yen Yen is Regional Vice President and Managing Director of Asia Pacific (South) for SAS Institute. Prior to joining SAS, she was Senior Vice President of Applications for Oracle Asia Pacific. She is currently the Chairman of Singapore Science Centre, Director of Singapore Press Holdings, Gemalto, Defence Science and Technology Agency, Cap Vista and Advisor Mentor of TNF Ventures. She was also awarded the 'Most Inspiring Women' by Women's Weekly 2009 Great Women of our Time Awards; the 7th International Management Action Award in 2010; and the "IT Leader of the Year Award" in 2011 by the Singapore Computer Society.



GOVERNING COUNCIL



Mr Richard Teng is the Chief Regulatory Officer of SGX. He heads the Regulation unit that performs regulatory functions to promote a fair, orderly and transparent market. Prior to this appointment, Mr Teng's positions with SGX include Deputy Chief Regulatory Officer, Head of Regulations and Head of Issuer Regulation. Mr Teng joined SGX from the MAS in 2007 where his last appointment was as Director of Corporate Finance Division. He was also the Secretary to the Securities Industry Council. Mr Teng is a member of the Singapore Divisional Council of CPA Australia. He chairs the Institute of Banking and Finance's Capital Markets and Financial Advisory Services Examination Board.

Ms Wong Su-Yen is Chairman, Singapore for Marsh & McLennan Companies, as well as Senior Advisor to Mercer and Oliver Wyman. She brings over twenty years' experience in business strategy, operations redesign, human capital development, organisation transformation, and risk management. She is considered a thought leader on talent and workforce issues, and is a frequent guest speaker at universities and conferences in the region. She is currently Chairman, Nera Telecommunications, and a Director of the National Kidney Foundation. She is an active member of WomenCorporateDirectors, and the Young Presidents' Organisation.



Mr Yeoh Oon Jin is the Executive Chairman of PwC Singapore and has more than 25 years of public accounting experience. He graduated with a First Class Honours degree in Accounting from the University of Birmingham in the United Kingdom. Mr Yeoh is a member of the Institute of Chartered Accountants in England and Wales, as well as a practising member of the ISCA. He was previously a Council Member of ISCA and a member of the Singapore Accounting Standards Council. Mr Yeoh sits on the boards of JTC Corporation, ACRA and National Arts Council.

COMMITTEES

Infrastructure Committees

<p>Executive Committee Willie Cheng Jue Hiang (Chairman) Adrian Chan Pengee Yvonne Goh Soh Gim Teik</p>	<p>Audit Committee Tan Yen Yen (Chairman) Chaly Mah Andy Tan Yeoh Oon Jin</p>	<p>Finance Committee Soh Gim Teik (Chairman) Soh Kok Leong Gerard Tan Wong Chee Boon</p>	<p>Nominating & Governance Committee David Conner (Chairman) Adrian Chan Pengee Willie Cheng Jue Hiang Daniel Ee Hock Huat Richard Teng</p>
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Programme Committees

<p>Advocacy & Research Committee Adrian Chan Pengee (Chairman) Syed Aamir Marcus Chow David Conner Sharon Craggs Kevin Kwok Chaly Mah Poh Mui Hoon Barbara Voskamp Terry Wee Wong Su-Yen Yeoh Oon Jin</p>	<p>Diversity SubCommittee Kala Anandarajah (Chairman) Adrian Chan Pengee David Conner Junie Foo Juanita Woodward</p>	<p>Board of Directors Survey SubCommittee Adrian Chan Pengee (Chairman) Lam Khin Khui John Lim Kok Min Na Boon Chong Ng Siew Quan Jacob Tan Yeoh Oon Jin Elaine Yew</p>	<p>Singapore Directorship Report SubCommittee Adrian Chan Pengee (Chairman) Chan Sze Yee David Chew Asda Chintakananda Ho Yew Kee Eugene Kang Daryl Neo Mandy Tham Yee Cheok Hong Victor Yeo</p>
<p>Professional Development Committee Yvonne Goh (Chairman) Lyn Boxall Adrian Chan Pengee Ku Xian Hong Lim Chin Hu Lo Kim Seng Bernard Lui Chaly Mah Phey Teck Moh Poh Mui Hoon Henry Tan Richard Teng</p>	<p>Directors Compliance Programme (DCP) SubCommittee Poh Mui Hoon (Chairman) Adrian Chan Pengee Ku Xian Hong Lim Chin Hu Lu Ling Ling Tan Peck Joo</p>	<p>Membership Committee Kevin Kwok (Chairman) Jehu Chan Robert Fu Yvonne Goh Kee Teck Koon Benedict Lim Florence Ng Roland Seet Andy Tan Chye Guan Tonya Tan Bernard Tay Darryl Wee</p>	<p>Public Relations Committee Elaine Lim (Chairman) Wilson Chew Daniel Ee Hock Huat Sameer Khan Patrick Liew Dennis Mark Andy Tan Chye Guan David Tong Wong Su-Yen Juanita Woodward</p>
<p>Publication & Website Committee Yeoh Oon Jin (Chairman) Kala Anandarajah Adrian Chan Pengee Terence Foo Mike Gray Derrick Kon Elaine Lim Wayne Soo Leonard Stornes Victor Yeo Annabelle Yip</p>	<p>Website Revamp SubCommittee Wayne Soo (Chairman) Patrick Liew Leonard Stornes Juanita Woodward</p>		

COMMITTEES

Task Forces & Project Committees

Annual Conference Committee Robert Chew (Chairman) Kala Anandarajah Wilson Chew Chaly Mah Dileep Nair Robin Pho	Social Enterprise SubCommittee Robert Chew (Chairman) Karen McGregor Alfie Othman Grace Sai Teo Mee Hong Eunice Woo	Corporate Governance Benchmarks Committee Daniel Ee Hock Huat (Chairman) Philip Chan Robert Chew Kevin Kwok Eleanor Lee John Lim Jag Mohan Ng Kian Bee Soh Gim Teik Richard Teng Terry Wee
Annual Golf Tournament Committee Lim Chin Hu (Chairman) Terence Chan Yvonne Goh Robin Lee Lim Teck King Raymond Verghese	Premises Committee Andy Tan Chye Guan (Chairman) Willie Cheng Jue Hiang Soh Gim Teik	

Singapore Corporate Awards Committees

Best Managed Board Award Shortlisting Committee Willie Cheng Jue Hiang (Chairman) El'fred Boo Adrian Chan Pengee Wilson Chew David Conner Daniel Ee Hock Huat Genevieve Heng Ku Xian Hong Kuan Feng Yi Kevin Kwok Lee Voon Keong Lim Chin Hu Soh Gim Teik Jacob Tan Tan Yen Yen	Best Managed Board Award Judging Panel Willie Cheng Jue Hiang (Chairman) Cheng Wai Keung Rachel Eng David Lim Wei Min Na Boon Chong Teo Eng Cheong Bernard Yeung	SCA Seminar 2014 Organising Committee Willie Cheng Jue Hiang (Co-Chairman) Ernest Kan(Co-Chairman) Alvin Tay (Co-Chairman) Christine Ang Lim Li Koon Graham Owens Tresor Anne Tan Gabriel Teh Yee Cheok Hong
Best CEO Award Shortlisting Committee John Lim Kok Min (Chairman) Julian Ho Gauri Lakhanpal Lam Khin Khui Ku Xian Hong Wong Su-Yen	Best CEO Award Judging Panel John Lim Kok Min (Chairman) Cham Tao Soon Willie Cheng Jue Hiang Ho Meng Kit Tan Kai Hoe Alvin Tay Elaine Yew	



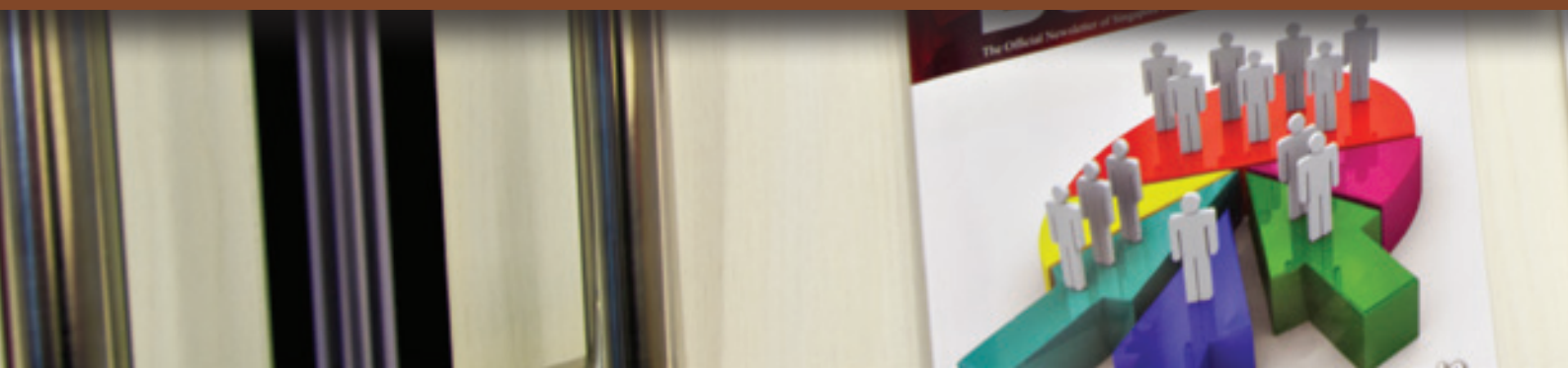
Executive Staff

Front Row (Left to Right):
Graham Owens (Professional Development & Research),
Penelope Phoon (Executive Director),
George Heng (Chief Operating Officer), Gabriel Teh (Senior Manager)

Back Row (Left to Right):
Jemmie Yee (Membership Services), Naveen Thirunavukkarasu (IT Support),
Jane Tan (Accounts), Cecilia Cho (Administration),
Chia Yi Hui (Communications & Events), Florence Lum (Operation & Logistics)



SID has established the SID Code of Governance to articulate and communicate the governance standards and best practices that it wishes to uphold. This report describes the compliance with the SID Code.





CORPORATE GOVERNANCE REPORT



CORPORATE GOVERNANCE REPORT

SID Corporate Governance Report For the period 1 October 2013 to 30 September 2014

As a body promoting excellence in corporate governance practices, SID is committed to practising the highest standards of good governance.

Towards this end, in 2013, SID developed an SID Code of Governance (SID Code) recognising its unique nature as a nonprofit organisation focused on corporate governance practices of commercial companies (listed and private) as well as nonprofit organisations.

The SID Code is thus drawn from the principles and guidelines contained in the Code of Corporate Governance issued by the Monetary Authority of Singapore and the Code of Governance for Charities issued by the Commissioner of Charities. A copy of the SID Code is provided on its website.

This report sets out the SID Governing Council's assessment of its compliance with the SID Code.

1. GOVERNING COUNCIL

Principle: SID is governed by a volunteer Governing Council which is elected from among the members in accordance with its Memorandum and Articles of Association. As the highest policy and decision making body of the SID, the Council has the responsibility of ensuring that SID is governed and managed responsibly and prudently to ensure its effectiveness, credibility and sustainability.

Role of the Governing Council

SID is governed by a volunteer Governing Council ("Council") which currently comprises 18 members, of which 16 are elected and two are co-opted.

In addition, John Lim, SID's Immediate Past Chairman, has made himself available for advice and support to the Council. The Council invites him to attend its meetings and represents SID in international and other matters as deemed appropriate by the Chairman and the Council.

The Council members and their individual profiles are shown on page 24 to 28 of the Annual Report.

The role of the Council is to direct the affairs of the Institute and ensure its long term success. The Council works with the Secretariat to achieve this objective.

The Council has also set up 14 Committees to assist it in the execution of its functions and to oversee specific programmes of the Institute.

Composition of Council

To discharge its responsibilities, the Council membership must be effective. The Nominating and Governance Committee and the Council seeks to ensure appropriate renewal of a balanced and diverse Council that reflects the various facets of its membership as well as have the mix of skills, background and experiences to lead and control the Institute.

The current group of 18 Council members covers the following dimensions:

- Eight members or 45 % are practicing directors (they are non-executives who function mainly as independent directors).
- Six members or 33 % are from the major professions (law, public accounting, investor relations/PR, search/HR) with not more than two from a profession.
- In addition to the professions, the rest come from a variety of industry backgrounds including government, banking, technology, property and retail.
- 5 members or 28 % are female.
- 2 members or 11 % are ethnic minorities.

Renewal of Council

Since 2012, specific efforts have been made to renew the Council. Term limits were introduced in the SID Constitution in October 2012.

After the AGM of November 2012, seven new Council members were elected/co-opted. After the AGM of November 2013, another four new Council members were elected/co-opted. At the AGM of November 2014, four Council members are expected to step down.

In 2013, the Council introduced an enhanced nomination process for the identification of candidates for the Council. In August, it broadcasts a call for interested candidates for Council and Committees. These candidates then met with existing Council members to understand expectations and requirements. Most of these candidates joined the Committees. A few were asked to stand for election. This process reduces the tensions and risks that arise from unknown candidates that appear only at the AGM.

The enhanced nomination process was repeated in 2014, and a total of 20 members volunteered to join the Committees and Council.

Committees

With limited executive staff, the Council has set up the following Committees and Subcommittees to assist with the governance and programmes of SID:

Infrastructural Committees

1. Audit Committee
2. Executive Committee
3. Finance Committee
4. Nominating & Governance Committee

Programme Committees

1. Advocacy & Research Committee
 - Board of Directors Survey 2013 Subcommittee
 - Diversity Subcommittee
 - Singapore Directorship Report Subcommittee
2. Membership Committee
3. Professional Development Committee
 - ACRA Directors' Compliance Programme (DCP) Course Subcommittee
4. Publications & Website Committee
 - Website Revamp Subcommittee
5. Public Relations Committee

Ad Hoc Committees/Task Forces

1. Conference Committee
 - Social Enterprises Subcommittee
2. Corporate Governance Benchmarks Committee
3. Golf Committee
4. SCA Seminar 2014
5. Singapore Corporate Awards
 - Best CEO Shortlisting Committee
 - Best CEO Judging Panel
 - BMBA Shortlisting Committee
 - BMBA Judging Panel

Each Committee has a defined set of terms of reference which is approved by the Council. Members to the Committees are renewed every year. Each Committee is chaired by a Council member, and its members comprise other Council members and other volunteers from SID membership. In total, the Committees collectively mobilise some 70 individuals in addition to the existing Council members.

Secretariat

The affairs of SID are managed on a day-to-day basis by a team of 10 staff, headed by the Executive Director.

The Secretariat is fully accountable to the Council.

Human resources matters relating to the staff are handled by the Executive Committee.

2. DISCLOSURE AND TRANSPARENCY

Principle: As SID is a membership body that promotes excellence in corporate governance, the Institute and the Council shall be exemplary in matters of corporate governance. SID shall be transparent in its affairs and provide proper disclosure of its structure, operations, programmes, activities, performance and finances to its members and the corporate community at large. Clear policies and procedures shall be set to declare, prevent and address conflicts of interest that could affect the integrity, fairness and accountability of SID.

Council Functioning

A Governing Council Handbook was developed and approved by the Council during the year. It sets out policies, guidelines, practices of the Council.

The Handbook will serve as a guide to existing Council members and to orientate new Council members.

Council Service

The expectations of Council members are set out in its Handbook and communicated to potential Council members. Among the expectations is the emphasis that membership of the Council is a service that include:

- Volunteerism of time on the part of the Council members to the cause of SID
- No financial reward for Council members' involvement in SID
- Overseas travel of Council members are not reimbursable by SID
- Putting SID's interest above vested interest
- Representation of SID in the community.

Independence

All Council members are non-executive. None of them are related to each other or to the Secretariat.

None of the Council members receive any remuneration for their time spent on SID matters.

The Executive Director and members of the Secretariat staff attend Council meetings as ex-officio to take minutes and provide information but they do not take part in the decision making of the board.

Conflicts of Interest

The Council Handbook documents clear policies to deal with conflicts of interest.

All Council members provide disclosures of their interests in all other organisations in which they are directors or have control to the Council the first time they were appointed and updates when these occur. Disclosures are provided in the Council Meeting Packs.

Should conflicts of interest arise during Council deliberations, these are declared and sometimes the members will recuse themselves.

Where the employers of Council members are involved with the provision of services to the Institute during the year, these have been on a pro bono basis.

Council Meetings

Council meetings are held every two months. The quorum for Council meetings has been fixed by the Council to be half of the number of members.

Committee meetings are held as needed. Most Committees hold their meetings every two months. Executive Committee meetings are held in the alternate months of the Council meetings. The quorum for Committee meetings is half the number of members.

In general, the Council and Committees seek to operate by consensus although the constitution provides for voting by a majority of the members present.

Council meetings for the year have generally been well attended:

Table 1. Attendance of Council Meetings*

Name of Director	Council Meetings Attended	Council Meetings Held**	Comments
Willie Cheng Jue Hiang	7	7	
Adrian Chan Pengee	7	7	
Yvonne Goh	5	7	
Soh Gim Teik	4	7	
Kala Anandarajah	5	7	
Robert Chew	7	7	
Wilson Chew Huat Chye	5	5	Joined Council on 15 January 2014
David Conner	4	7	
Daniel Ee Hock Huat	5	7	
Kevin Kwok	3	7	
Elaine Lee Kia Jong (Mrs Elaine Lim)	7	7	
Lim Chin Hu	5	7	
Chaly Mah Chee Keong	4	7	
Andy Tan Chye Guan	5	7	
Tan Yen Yen	7	7	
Richard Teng Wee Chen	4	7	Joined Council on 20 November 2013
Wong Su Yen	4	5	Joined Council on 15 January 2014
Yeoh Oon Jin	6	7	

*Council meetings are for the period 1 October 2013 to 30 September 2014 and include the Council planning retreat on 2 December 2013.

** Denotes the number of Council meetings held during the Council member's term of office.

Minutes are kept for all Council meetings, and either Minutes or Notes of Meetings for all Committee meetings. All Minutes and Notes of Meetings are circulated to all present, and also to all Council members as part of the Council Meeting Pack provided at each Council meeting.

Meeting papers are generally provided only in electronic form for efficiency and environmental purposes.

Council Induction

A half day orientation session on SID was conducted for all new Council members.

Council Evaluation

A self-evaluation survey of the Council was conducted by the Nominating and Governance Committee in October 2013. The results were compiled by the Executive Director and shared with the Council.

3. STRATEGY IMPLEMENTATION

Principle: SID is set up to accomplish the objectives set out in its M&A for the benefit of the corporate community in Singapore. The mission and vision of SID shall be clearly articulated and the strategies and actions carefully thought out, planned and implemented.

Mission & Vision

The mission and vision of SID as established at its 2012 Council retreat are:

Mission: To foster good governance and ethics in corporate leadership.

Vision: To be the national association advancing the highest levels of ethical values, governance, and professional development of directors.

Strategic Planning

The Council held a planning retreat at Changi Cove on 2 December 2013. The retreat was conducted by Robert Chew, a Council member. It was attended by Council members and the Secretariat.

The focus of this retreat was to review and build upon the six strategic thrusts set out in the 2012 Council retreat. Priorities for 2014 were reviewed and subsequently reflected in the Committees' 2014 work plans.

Programme Management

The detailed work of the Institute are largely undertaken through the various Committees and the Secretariat.

Following the Council retreat in December 2013, each Committee reviewed its terms of reference and identified its key objectives and work plan for the year. These were compiled and reviewed in the January 2014 Council meeting.

At each subsequent Council meeting, select Committees provide an update of their progress.

4. HUMAN RESOURCE MANAGEMENT

Principle: Human resources are a critical asset of SID. A pool of paid staff and volunteers from the corporate community define and implement its plans, manage its operations and deliver its programmes. Appropriate human resource policies shall be put in place for each of these groups of resources.

Human Resource Policy

The Institute has established a Human Resource Manual which contains the human resource policies and processes for paid staff and contract workers covering recruitment, remuneration, benefits, training, development actions and performance appraisal.

Recruitment

The recruitment of the Executive Director is made by the Executive Committee. All other hirings are done by the Executive Director, and where appropriate, with oversight and endorsement by the relevant Committee Chairman.

During the year, the following staff were hired:

- Cecilia Cho, Executive, Administration
- Jemie Yee, Executive, Membership
- T. Naveen, Manager, IT
- George Heng, Chief Operating Officer

Staff Evaluation and Compensation

Staff appraisals are conducted for all staff by the Executive Director. The appraisal of the Executive Director is conducted by the Chairman.

The level of staff compensation is modest and is generally in line with that of a nonprofit organisation. Annual staff bonuses and increments are aligned with that of industry and the civil service.

No staff is involved with the setting of his or her remuneration.

Volunteer Management

The majority of volunteers are Council and Committee members. Guidelines exist for how Council and Committee members should conduct themselves. No other specific policy has been developed for the management of volunteers.

A Lunar New Year “Lo Hei” and appreciation lunch was held in February 2014 for all Committee members and other SID volunteers.

Committee members and other volunteers were invited to attend certain events such as the Singapore Corporate Awards Seminar 2014 and the annual SID Directors’ Conference 2014 on a complimentary basis.

5. FINANCIAL MANAGEMENT

Principle: As an organisation that provides services for the good of its members and the corporate community, and having membership subscriptions, corporate sponsorships and grants as its sources of income, SID shall establish sound financial management and regulatory compliance practices to ensure accountability and legitimacy in the use of its resources.

Budget Planning & Monitoring

The annual budget is prepared by the Secretariat with oversight by the Finance Committee and approved by the Council. The current focus of the Council is for a breakeven budget recognising the present level of investments needed to build up the SID for the next stage.

Monthly financial reports are prepared by the Secretariat and reviewed by the Finance Committee and Audit Committee at their meetings, and submitted for information to the Council at its meetings. Financial reports provide an analysis of actuals against budgets and the previous year.

Audit

The Audit Committee reviews the most recent monthly and annual financial statements of the SID at its meetings, and recommends these for adoption by the Council. It also receives, reviews and follows up on the findings of the External Auditor which usually includes a management letter setting out the areas for improvement in internal controls.

The external auditor of SID is KPMG. The external auditor attends all meetings of the Audit Committee.

Internal Controls

A pro bono internal audit review of SID is scheduled for November 2014 and the results will be reviewed by the Audit Committee.

Fundraising

Apart from membership fees and revenue from its education courses, SID's main form of fundraising has been through sponsorship of its events, especially the SID Directors' Conference and SID Golf Tournament. Corporate sponsors are appropriately recognised through the event collaterals.

6. STAKEHOLDER COMMUNICATIONS

Principle: SID provides important services to its members and the corporate community. It therefore needs to communicate its mission, programmes and activities, and performance to key stakeholders and respond readily to requests for information.

Image

A proactive approach has been adopted on projecting and maintaining the image of SID. In the last year, the SID logo was changed to be more proportionate and practical. A SID Visual Branding Guide was developed.

Following an online survey of the *SID Directors' Bulletin* in October 2013, the publication was revamped in 2014. It is now a quarterly issue with a new look, regular columns, local feature articles, and a specific section on SID News.

A revamp of the SID website and membership system began in May 2014. The new website is expected to be up in November 2014.

Since November 2013, SID's Annual Report has been formatted to provide information similar to those provided by listed companies.

From 2014, SID together with Institute of Singapore Chartered Accountants join Business Times to organise the Singapore Corporate Awards which seeks to celebrate the best in corporate governance. The elevation of SID as a co-organiser of one of the most prestigious corporate social highlights of the year should enhance SID's standing in the corporate community.

Media

SID has sought to be responsive to the media and maintain a media presence.

A team comprising the Council Chairman, Chairman of Advocacy & Research and Executive Director seeks to respond immediately to media queries. Press releases were issued for major SID events and happenings.

In January 2014, SID started a weekly column, “Boardroom Matters” in The Business Times and its financial portal, *BT Invest*, that provide its views and perspectives on directorship and corporate governance matters. The articles are written by SID Council and Committee members and edited and cleared by a rigorous internal process.

Members

SID sends weekly and ad hoc circulars to its members setting out the upcoming professional development and other offerings.

The *SID Directors’ Bulletin* has a section specific to members.

Networking member evenings are held on a quarterly basis.

SID’s activities, while generally open to the corporate community, are usually offered to members at a discount when there is a fee charged

7. CODE OF CONDUCT

Principle: SID members shall function as corporate directors with integrity and care in the interest of their corporations. SID Council members additionally shall act in the best interest of the Institute.

SID has a Directors’ Code of Professional Conduct by which it expects its members to comply with in discharging their duties as directors.

The Council guidelines has a provision for the establishment of a Disciplinary Committee in the event of a complaint against specific members. No such complaint was received in the last year.



The institute seeks to manage its financials on a prudent basis. SID's financial resources have been able to grow in tandem with the increased scale of our activities.



FINANCIAL REPORT

SINGAPORE INSTITUTE OF DIRECTORS
(A COMPANY LIMITED BY GUARANTEE)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

FINANCIAL REPORT

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REPORT OF THE DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial year ended 30 June 2014.

1 DIRECTORS

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

Willie Cheng Jue Hiang	(Chairman)
Adrian Chan Pengee	(First Vice-Chairman)
Yvonne Choo (Mrs Yvonne Goh)	(Second Vice-Chairman)
Soh Gim Teik	(Treasurer)
Kala Anandarajah	
Robert Chew	
Wilson Chew	
David Philbrick Conner	
Daniel Cuthbert Ee Hock Huat	
Kevin Kwok Khien	
Lim Chin Hu	
Elaine Lee Kia Jong (Mrs Elaine Lim)	
Chaly Mah Chee Kheong	
Andy Tan Chye Guan	
Tan Yen Yen	
Richard Teng	
Wong Su-Yen	
Yeoh Oon Jin	

As the Company is a company limited by guarantee, the Company is not required to report on the matters to be disclosed under Sections 201(6)(f) and (g) and Sections 201(11) and (12) of the Singapore Companies Act, Cap. 50.

2 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a Company in which he has a substantial financial interest.

ON BEHALF OF THE BOARD OF DIRECTORS

Willie Cheng Jue Hiang

Soh Gim Teik

Date: 26 September 2014

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements as set out on pages 49 to 66 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2014 and of the results, changes in accumulated surplus and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

The Directors have, on the date of this statement, authorised these financial statements for issue.

ON BEHALF OF THE BOARD OF DIRECTORS

Willie Cheng Jue Hiang

Soh Gim Teik

Date: 26 September 2014

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Singapore Institute of Directors

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Institute of Directors (the "Company") which comprise the statement of financial position of the Company as at 30 June 2014, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 49 to 66.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 30 June 2014 and the results, changes in accumulated surplus and cash flows of the Company for the year ended on that date.

INDEPENDENT AUDITOR'S REPORT

Members of the Company
Singapore Institute of Directors

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

KPMG LLP

Public Accountants and
Chartered Accountants

Singapore

Date: 26 September 2014

STATEMENT OF FINANCIAL POSITION

30 June 2014

	Note	2014 \$	2013 Restated \$
ASSETS			
Current assets			
Cash and bank balances	6	1,393,899	1,799,946
Trade receivables	7	166,841	157,817
Other receivables and prepayments	8	203,074	125,339
Other financial assets	9	1,611,202	561,058
Total current assets		<u>3,375,016</u>	<u>2,644,160</u>
Non-current assets			
Plant and equipment	10	<u>145,433</u>	<u>20,449</u>
Total assets		<u><u>3,520,449</u></u>	<u><u>2,664,609</u></u>
LIABILITIES AND EQUITY			
Current liabilities			
Subscriptions received in advance		347,136	178,804
Course fees received in advance		64,692	44,437
Other payables	12	297,089	332,454
Income tax payable		4,903	25,291
Total current liabilities		<u>713,820</u>	<u>580,986</u>
Non-current liabilities			
Subscriptions received in advance		486,179	111,072
Deferred tax liability	11	1,500	1,500
		<u>487,679</u>	<u>112,572</u>
Total liabilities		<u>1,201,499</u>	<u>693,558</u>
Reserves			
Accumulated surplus		<u>2,318,950</u>	<u>1,971,051</u>
Total liabilities and equity		<u><u>3,520,449</u></u>	<u><u>2,664,609</u></u>

See accompanying notes to financial statements.

STATEMENT OF COMPREHENSIVE INCOME

Year ended 30 June 2014

	Note	2014 \$	2013 \$
Revenue	13	1,717,978	1,577,923
Other operating income	14	33,798	205,839
Course, seminar and golf tournament expenses		(381,291)	(412,933)
Staff costs		(656,957)	(587,351)
Depreciation expense	10	(43,120)	(29,579)
Other operating expenses		(312,780)	(268,808)
Surplus before income tax		<u>357,628</u>	<u>485,091</u>
Income tax expenses	15	(9,729)	(18,918)
Surplus for the year representing total comprehensive income for the year	16	<u><u>347,899</u></u>	<u><u>466,173</u></u>

See accompanying notes to financial statements.

STATEMENT OF CHANGES IN ACCUMULATED SURPLUS

Year ended 30 June 2014

	Accumulated surplus \$
Balance at 1 July 2012	1,504,878
Total comprehensive income for the year	<u>466,173</u>
Balance at 30 June 2013	1,971,051
Total comprehensive income for the year	<u>347,899</u>
Balance at 30 June 2014	<u><u>2,318,950</u></u>

See accompanying notes to financial statements.

STATEMENT OF CASH FLOW

Year ended 30 June 2014

	Note	2014 \$	2013 \$
Operating activities			
Surplus before income tax		357,628	485,091
Adjustments for:			
Depreciation expense		43,120	29,579
Interest income		(3,004)	(2,053)
Operating cash flows before movements in working capital		397,744	512,617
Changes in working capital:			
Trade receivables		(9,024)	(67,443)
Other receivables and prepayments		(77,735)	(86,034)
Subscriptions received in advance		543,439	(50,988)
Course fees received in advance		20,255	(21,956)
Other payables		(35,365)	237,122
Cash generated from operations		839,314	523,318
Income tax paid		(30,117)	(3,714)
Net cash from operating activities		809,197	519,604
Investing activities			
Increase in fixed deposits representing net cash used in investing activity		(1,050,144)	(2,254)
Interest received		3,004	2,053
Purchase of plant and equipment		(168,104)	(13,420)
Proceeds from sale of plant and equipment		–	350
Deposits pledged		(167)	(172)
Net cash used in investing activities		(1,215,411)	(13,443)
Net (decrease)/increase in cash and cash equivalents		(406,214)	506,161
Cash and bank balances at beginning of year*		1,466,964	960,803
Cash and bank balances at end of year*	6	1,060,750	1,466,964

* Restated

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

These notes form an integral part of the financial statements.

1 Domicile and activities

The Singapore Institute of Directors was formed as a company limited by guarantee not having a share capital. The Company (Registration No. 199803504W) was incorporated in the Republic of Singapore on 18 July 1998 with its registered office and principal place of business at 168 Robinson Road #09-06/07 Capital Tower, Singapore 068912. The financial statements are expressed in Singapore dollars.

The objectives and principal activities of the Company are to act as the national association of directors of all corporations and to be concerned with the promotion and development of professional excellence, enterprise and integrity in company directors, and generally, to stimulate, inspire and guide corporations in Singapore to attain best practice standards in corporate governance. This is done through the organisation of different activities for participation by its members during the year. The Company is funded by entrance fees, subscription fees and surplus from director training programs, seminars and other events.

Under Clause 8 of the Company's Memorandum of Association, each of the members of the Company undertakes to contribute a sum not exceeding \$10.00 to the assets of the Company in the event of it being wound up.

As at 30 June 2014, the Company has a total of 2,006 members (2013: 1,835).

The financial statements of the Company for the year ended 30 June 2014 were authorised for issue by the Board of Directors on 26 September 2014.

2 Basis of preparation

2.1 Basis of accounting

The financial statements have been prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards ("FRS").

2.2 Use of estimates and judgements

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported accounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about critical judgements in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in the following note:

- Note 7 – measurement of recoverable amounts of trade receivables

NOTES TO FINANCIAL STATEMENTS

2 Basis of preparation (Cont'd)

2.3 Adoption of new and revised standards

In the current financial year, the Company has adopted all the new and revised FRSs, Interpretations of FRS ("INT FRS") and amendments to FRSs that are relevant to its operations and effective for annual periods beginning on or after 1 July 2013. The adoption of these new/revised FRSs, INT FRSs and amendments to FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior year.

Management anticipates that the adoption of the FRSs, INT FRSs and amendments to FRS that were issued but effective only in future periods will not have a material impact on the financial statements of the Company in the period of its initial adoption.

3 Significant accounting policies

3.1 Financial instruments

A financial instrument is recognised on the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transactions costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method less impairment losses. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

Loans and receivables comprise cash and cash equivalent, trade receivables, other receivables and other financial assets. Cash and cash equivalents comprise cash at bank and fixed deposits and other short-term highly liquid assets that are readily convertible to a known amount of cash and are subject to an insignificant risk of change in value.

NOTES TO FINANCIAL STATEMENTS

3 Significant accounting policies (Cont'd)

3.1 Financial instruments (Cont'd)

Non-derivative financial liabilities

Financial liabilities (including liabilities designated at fair value through profit or loss) are recognised initially on the trade date at which the Company becomes a party to the contractual provision of the instrument.

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or expired.

The Company has the following non-derivative financial liabilities: subscriptions, course fees and sponsorships received in advance, and other payables. Such liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost, using the effective interest method, with interest expense recognised on an effective yield basis.

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

3.2 Impairment

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the financial assets have been impaired. For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

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 loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

Impairment of non-financial assets

At the end of each reporting period, the Company reviews the carrying amounts of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which estimates of future cash flows have not been adjusted.

NOTES TO FINANCIAL STATEMENTS

3 Significant accounting policies (Cont'd)

3.2 Impairment (Cont'd)

Impairment of non-financial assets (Cont'd)

If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised in profit or loss.

3.3 Plant and equipment

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

Depreciation is charged so as to write off the cost of assets, over their estimated useful lives, using the straight-line method, on the following bases:

Renovation and refurbishment	-	33%
Furniture and fittings	-	33%
Computers	-	33%
Office equipment	-	20%
Website development	-	33%

Fully depreciated assets still in use are retained in the financial statements.

The gain or loss arising on the disposal or retirement of an item of plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

3.4 Provisions

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

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

3 Significant accounting policies (Cont'd)

3.5 Leases

When the Company is lessee of an operating lease

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

3.6 Employee benefits

Payments to defined contribution retirement benefit plans are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Company's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of reporting period.

3.7 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated rebates and other similar allowances.

Entrance and subscription fees

Revenue from entrance and subscription fees are recognised on an accrual basis.

Seminar and course fees

Revenue from training course fees and seminars fees are recognised when services are rendered.

Event income and sponsorships

Event income and sponsorships are recognised when the events are held.

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

3.8 Government grants

Government grants are recognised as other income over the periods necessary to match them with the costs for which they are intended to compensate, on a systematic basis. Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Company with no future related costs are recognised in profit or loss in the period in which they become receivable.

NOTES TO FINANCIAL STATEMENTS

3 Significant accounting policies (Cont'd)

3.9 *Income tax*

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Company's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted by the end of reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognised as an expense or income in profit or loss.

3.10 *Foreign currency transactions*

The financial statements are measured and presented in the currency of the primary economic environment in which the Company operates (its functional currency). The financial statements of the Company are presented in Singapore dollars, which is the functional and presentation currency of the Company.

In preparing the financial statements, transactions in currencies other than the Company's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period.

NOTES TO FINANCIAL STATEMENTS

4 Financial instruments, financial risks and capital risks management

(a) *Categories of financial instruments*

	2014	2013
	\$	\$
Financial assets		
Loans and receivables (including cash and bank balances)	3,336,737	2,617,996
Financial liabilities		
Payables at amortised cost	1,062,555	436,492

(b) *Financial risk management policies and objectives*

The management of the Company monitors and manages the financial risks relating to the operations of the Company to ensure appropriate measures are implemented in a timely and effective manner. These risks include credit risk, market risk (including currency risk and interest rate risk) and liquidity risk.

i) Credit risk management

Credit risk refers to the risk that debtors will default on their obligation to repay the amount owing to the Company.

The carrying amount of financial assets recorded in the financial statements, before any allowances for losses, represents the Company's maximum exposure to credit risk.

Details of credit risks on trade receivables are disclosed in Note 7 to the financial statements.

The Company places its cash and bank balances with creditworthy financial institutions.

ii) Foreign exchange risk management

The Company operates mainly in Singapore and is not exposed to significant foreign exchange risk. Accordingly, no sensitivity analysis is prepared.

iii) Interest rate risk management

The Company is not exposed to interest rate risks as the Company's interest-bearing financial assets and liabilities only comprise of cash and bank balances which are subjected to insignificant risk of changes in value as they are short-term in nature. Accordingly, no sensitivity analysis is prepared.

iv) Liquidity risk management

The Company maintains sufficient cash and bank balances and internally generated cash flows to finance its activities. The Company's operations are financed mainly through accumulated surplus.

All financial assets and financial liabilities are repayable on demand or due within 1 year at end of reporting period and are non-interest bearing, except for the fixed deposits disclosed in Note 6 and Note 9 to the financial statements.

NOTES TO FINANCIAL STATEMENTS

4 Financial instruments, financial risks and capital risks management (Cont'd)

(b) *Financial risk management policies and objectives (Cont'd)*

v) Fair value of financial assets and financial liabilities

The management considers that the carrying amounts of the Company's financial assets and liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

(c) *Capital risk management policies and objectives*

The Company reviews its capital structure at least annually to ensure that the Company will be able to continue as a going concern. The capital structure of the Company comprises only of accumulated surplus. There were no changes in the Company's approach to its capital structure during the year.

5 Related party transactions

Some of the Company's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements.

Compensation of directors and key management personnel

No director received any remuneration for 2014 and 2013.

The remuneration of the key management personnel during the year was as follows:

	2014	2013
	\$	\$
Short-term benefits	228,508	277,267
Post-employment benefits	10,119	11,245
	<u>238,627</u>	<u>288,512</u>

6 Cash and bank balances

	2014	2013
	\$	\$
Cash and cash balances	559,749	966,464
Fixed deposits	834,150	833,482
Cash and bank balances in the statement of financial position	<u>1,393,899</u>	<u>1,799,946</u>
Deposits pledged	(333,149)	(332,982)
Cash and bank balances in the statement of cash flows	<u>1,060,750</u>	<u>1,466,964</u>

Fixed deposits bear average effective interest rate from 0.05% to 0.1% (2013: 0.05% to 0.1%) per annum and for a tenure between 1 to 3 months (2013: 1 to 3 months).

The charge on the deposits pledged was discharged on 18 July 2014.

NOTES TO FINANCIAL STATEMENTS

7 Trade receivables

	2014 \$	2013 \$
Outside parties	171,890	187,817
Less: Impairment for doubtful debts	(5,049)	(30,000)
	<u>166,841</u>	<u>157,817</u>

The average credit period on trade receivables is 30 days (2013: 30 days). No interest is charged on the trade receivables.

Before accepting any new customers, the Company will assess the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed periodically. The trade receivables that are neither past due nor impaired belong to customers who have been making regular payments to the Company and are still considered recoverable.

In determining the recoverability of a trade receivable, the Company considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. There has been no significant change in credit quality. Impairment allowance has been made in respect of amounts in dispute.

The table below is an analysis of trade receivables at the reporting date:

	2014 \$	2013 \$
Not past due and not impaired	93,728	153,838
Past due but not impaired (i)	73,113	3,979
Past due and impaired (ii)	5,049	30,000
Total trade receivables	<u>171,890</u>	<u>187,817</u>

(i) Aging of receivables that are past due but not impaired

	2014 \$	2013 \$
Past due 0 to 3 months	14,290	2,140
Past due more than 3 months to 6 months	58,823	1,839
	<u>73,113</u>	<u>3,979</u>

(ii) Aging of receivables that are past due and impaired

	2014 \$	2013 \$
Past due more than 12 months to 24 months	5,049	30,000

NOTES TO FINANCIAL STATEMENTS

7 Trade receivables (Cont'd)

The movement in the allowance for impairment in respect of trade and other receivables during the year was as follows:

	\$
At 1 July 2012	–
Impairment loss recognised	30,000
At 30 June 2013	<u>30,000</u>
Impairment loss recognised	5,049
Amounts written off	(800)
Reversal of impairment loss	<u>(29,200)</u>
At 30 June 2014	<u><u>5,049</u></u>

At 30 June 2014, the Company has assessed that receivables of \$5,049 (FY2013: \$30,000) were long overdue and not recoverable. Impairment losses in relation to these balances were recognised.

8 Other receivables and prepayments

	2014 \$	2013 \$
Prepayments	38,279	26,164
Deposits	41,975	58,799
Accrued income	122,820	37,000
Others	–	3,376
Total	<u><u>203,074</u></u>	<u><u>125,339</u></u>

9 Other financial assets

	2014 \$	2013 \$
Fixed deposits with maturity tenure greater than 3 months	<u><u>1,611,202</u></u>	<u><u>561,058</u></u>

The fixed deposits bear average effective interest rate of 0.24% to 0.25% (2013: 0.25%) per annum and for a tenure of 6 to 12 months (2013: 12 months).

NOTES TO FINANCIAL STATEMENTS

10 Plant and equipment

	Renovation and refurbishment \$	Furniture and fittings \$	Computers \$	Office equipment \$	Website development \$	Total \$
Cost						
At 1 July 2012	58,595	40,685	72,339	8,455	79,379	259,453
Additions	–	–	7,920	–	5,500	13,420
Disposal/written off	–	–	(27,483)	–	(33,375)	(60,858)
At 30 June 2013	58,595	40,685	52,776	8,455	51,504	212,015
Additions	81,860	37,186	23,548	25,510	–	168,104
Disposal/written off	(58,595)	(36,185)	–	(7,705)	–	(102,485)
At 30 June 2014	81,860	41,686	76,324	26,260	51,504	277,634
Accumulated depreciation						
At 1 July 2012	55,099	38,773	61,397	8,455	58,771	222,495
Depreciation	3,496	1,646	10,763	–	13,674	29,579
Disposal/written off	–	–	(27,133)	–	(33,375)	(60,508)
At 30 June 2013	58,595	40,419	45,027	8,455	39,070	191,566
Depreciation	18,083	7,248	6,440	3,387	7,962	43,120
Disposal/written off	(58,595)	(36,185)	–	(7,705)	–	(102,485)
At 30 June 2014	18,083	11,482	51,467	4,137	47,032	132,201
Carrying amount						
At 1 July 2012	3,496	1,912	10,942	–	20,608	36,958
At 30 June 2013	–	266	7,749	–	12,434	20,449
At 30 June 2014	63,777	30,204	24,857	22,123	4,472	145,433

11 Deferred tax liability

	Total \$
Balance at 1 July 2012	5,971
Charge to profit or loss	(4,471)
Balance at 30 June 2013	1,500
Credit to profit or loss	–
Balance at 30 June 2014	1,500

Deferred tax liability principally relates to plant and equipment.

NOTES TO FINANCIAL STATEMENTS

12 Other payables

	2014 \$	2013 \$
Sundry creditors	74,407	13,802
Accruals	90,141	88,376
Goods and services tax payable	32,541	32,276
Deferred income	100,000	198,000
Total	<u>297,089</u>	<u>332,454</u>

13 Revenue

	2014 \$	2013 \$
Entrance and subscription fees	486,410	373,668
Seminar and course fees	700,041	812,059
Event income and sponsorships	520,247	386,196
Advertisement	11,280	6,000
Total	<u>1,717,978</u>	<u>1,577,923</u>

14 Other operating income

	2014 \$	2013 \$
Government grant	23,798	195,216
Interest income	3,004	2,053
Others	6,996	8,570
Total	<u>33,798</u>	<u>205,839</u>

15 Income tax

	2014 \$	2013 \$
Current tax		
Based on results for the year	10,659	25,080
Over provision in prior years	(930)	(1,691)
	<u>9,729</u>	<u>23,389</u>
Deferred tax		
Based on results for the year	–	(2,788)
Over provision in prior years	–	(1,683)
	<u>–</u>	<u>(4,471)</u>
Income tax expenses	<u>9,729</u>	<u>18,918</u>

NOTES TO FINANCIAL STATEMENTS

15 Income tax (Cont'd)

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

	2014 \$	2013 \$
Surplus before income tax	357,628	485,091
Income tax expense at statutory rate of 17%	60,797	82,465
Non-taxable items	(39,512)	(37,308)
(Over)/under provision in prior years	(930)	(3,374)
Non-deductible expenses	12,619	13,808
Tax incentive	(23,245)	(36,673)
	<u>9,729</u>	<u>18,918</u>

16 Surplus for the year

	2014 \$	2013 \$
After deducting:		
Impairment of doubtful debts	5,049	30,000
Reversal of impairment loss of trade receivables	(29,200)	–
Cost of defined contribution plan included in staff costs	52,267	49,099
Operating lease expenses	103,100	80,832
	<u>103,100</u>	<u>80,832</u>

17 Operating lease arrangements

At the end of reporting period, commitments in respect of non-cancellable operating lease for the rental of office premise were as follows:

	2014 \$	2013 \$
Future minimum lease payments payable:		
Within one year	159,615	96,680
Between one and five years	683,198	359,581
More than five years	–	101,132
	<u>842,813</u>	<u>557,393</u>

Operating lease payments represent rentals payable by the Company for certain of its office property. The rentals are negotiated and fixed for an average of three years.

NOTES TO FINANCIAL STATEMENTS

18 Subsequent events

New lease agreement at extended premise and renovation contracts

Subsequent to 30 June 2014, the Institute entered into a new lease agreement for an extended premise at 168 Robinson Road #09-08, Capital Tower, Singapore. The Institute also entered into contracts amounting to \$132,000 in relation to the renovation of the extended premise.

Singapore Corporate Awards

In July 2014, the Institute entered into a memorandum of understanding (“MOU”) with the Business Times and the Institute of Singapore Chartered Accountants to conduct the Singapore Corporate Awards (“SCA”) gala dinner and seminars. All agreed revenue and expenditures of the SCA programme shall be equally shared by the parties to this arrangement.

The intention of the three parties is to achieve a breakeven result for the event.

19 Comparative Information

Subscription received in advance

As at 30 June 2014, the Institute classified the subscriptions received in advance into current liabilities and non-current liabilities on the statement of financial position to reflect more appropriately the period in which subscription fees are being recognised.

Comparative amounts in the statement of financial position were reclassified for consistency, which resulted in \$111,072 of the subscriptions received in advance at 30 June 2013 being reclassified from current liabilities to non-current liabilities. The details of the change in presentation are as follows:

	2013	
	As previous disclosed	As restated
	\$	\$
Current liabilities		
Subscriptions received in advance	289,876	178,804
Non-current liabilities		
Subscriptions received in advance	–	111,072

Statement of cash flows

During the year, the Company modified the statement of cash flows to exclude the deposits pledged to reflect more appropriately the cash and cash equivalents that are not restricted. Comparative amounts in the statement of cash flows were reclassified for consistency, which resulted in \$332,982 of pledged deposits being excluded.

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