

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

(UEN No: S65SS0045C)

**STATEMENT BY THE EXECUTIVE COUNCIL  
AND AUDITED FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

# SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

## STATEMENT BY THE EXECUTIVE COUNCIL AND AUDITED FINANCIAL STATEMENTS

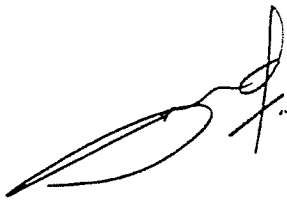
FOR THE YEAR ENDED 31 DECEMBER 2023

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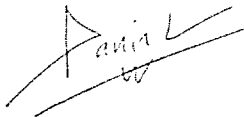
# SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

## STATEMENT BY THE EXECUTIVE COUNCIL

We, the President and Honorary Treasurer, on behalf of the Executive Council of **SINGAPORE HUMAN RESOURCES INSTITUTE** ("Institute"), do hereby state that in our opinion, the consolidated financial statements of the Institute and its subsidiaries (the "Group") and the statement of financial position, statement of profit or loss and other comprehensive income and statement of changes in funds of the Institute set out on pages 5 to 47 are properly drawn up in accordance with the Societies Act 1966, Companies Act 1967 and Financial Reporting Standards in Singapore so as to give a true and fair view of the financial position of the Group and the Institute as at 31 December 2023 and of the financial performance, changes in funds of the Group and Institute and cash flows of the Group for the financial year ended on that date.



.....  
Mr. Dwarakanath Narasimha Prasad  
President



.....  
Mr. Daniel Chia  
Honorary Treasurer

Date: 12 March 2024



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## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE HUMAN RESOURCES INSTITUTE**

### **Report on the Audit of the Financial Statements**

#### ***Opinion***

We have audited the accompanying financial statements of the SINGAPORE HUMAN RESOURCES INSTITUTE (the "Institute") and its subsidiaries (the "Group"), which comprise the statements of financial position of the Group and the Institute as at 31 December 2023, the statements of profit or loss and other comprehensive income of the Group and the Institute, the statement of changes in funds of the Group and the Institute and statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statements of profit or loss and other comprehensive income and statement of changes in funds of the Institute are properly drawn up in accordance with the Societies Act 1966 (the "Societies Act"), Singapore Companies Act 1967 (the "Companies Act") and Singapore Financial Reporting Standards ("FRSs"), so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Institute as at 31 December 2023 and of the consolidated financial performance, consolidated changes in funds and consolidated cash flows of the Group and of the financial performance, changes in funds of the Institute for the financial year ended on that date.

#### ***Basis for Opinion***

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### ***Other Information***

The Executive Council is responsible for the other information. The other information comprises the Statement by the Executive Council as set out on page 1 and the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

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

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



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF SINGAPORE HUMAN RESOURCES INSTITUTE – cont'd**

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

The Executive Council is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Societies Act 1966 (for the Institute), Singapore Companies Act 1967 (for the subsidiaries), and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

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

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

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

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



**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF  
SINGAPORE HUMAN RESOURCES INSTITUTE – cont'd**

***Auditor's Responsibilities for the Audit of the Financial Statements – cont'd***

- (d) Conclude on the appropriateness of the Executive Council's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- (e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Executive Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

***Report on Other Legal Regulatory Requirements***

In our opinion, the accounting and other records required to be kept by the Institute have been properly kept in accordance with the provisions of the Societies Regulations enacted under the Societies Act; and in respect of the subsidiaries incorporated in Singapore of which we are the auditors, the accounting and other records required to be kept by the subsidiaries have been properly kept in accordance with the provisions of the Companies Act.

*RAMA & CO. LLP.*

**RAMA & CO LLP  
PUBLIC ACCOUNTANTS AND  
CHARTERED ACCOUNTANTS  
SINGAPORE**

Date: 12 March 2024



## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> S\$	<u>Group</u> <u>2022</u> S\$	<u>2023</u> S\$	<u>Institute</u> <u>2022</u> S\$
<b>ASSETS</b>					
<b>Non-Current Assets:</b>					
Property, plant and equipment	(7)	1,019,744	1,350,215	25,747	15,987
Investment property	(8)	2,030,634	2,057,586	2,030,634	2,057,586
Investment in subsidiaries	(9)	-	-	100,000	100,000
Total non-current assets		<u>3,050,378</u>	<u>3,407,801</u>	<u>2,156,381</u>	<u>2,173,573</u>
<b>Current Assets:</b>					
Trade and other receivables	(10)	495,379	366,612	218,578	138,092
Cash and bank balances	(11)	3,061,392	3,689,634	2,005,732	2,154,472
Total current assets		<u>3,556,771</u>	<u>4,056,246</u>	<u>2,224,310</u>	<u>2,292,564</u>
<b>Total assets</b>		<u>6,607,149</u>	<u>7,464,047</u>	<u>4,380,691</u>	<u>4,466,137</u>
<b>FUNDS AND LIABILITIES</b>					
<b>Capital and Reserves:</b>					
Accumulated fund		3,976,547	4,582,822	3,016,561	3,212,294
Other funds	(12)	1,270,009	1,276,776	1,087,089	1,090,229
Total funds		<u>5,246,556</u>	<u>5,859,598</u>	<u>4,103,650</u>	<u>4,302,523</u>
<b>Non-Current Liability</b>					
Provision for reinstatement costs	(13)	-	-	-	-
Lease liability	(14)	688,160	968,351	-	-
Total non-current liabilities		<u>688,160</u>	<u>968,351</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities:</b>					
Trade and other payables	(15)	212,857	149,521	228,034	129,960
Contract liabilities	(16)	179,157	201,102	49,007	33,654
Lease liability	(14)	280,419	272,142	-	-
Income tax payable	(25)	-	13,333	-	-
Total current liabilities		<u>672,433</u>	<u>636,098</u>	<u>277,041</u>	<u>163,614</u>
Total liabilities		<u>1,360,593</u>	<u>1,604,449</u>	<u>277,041</u>	<u>163,614</u>
<b>Total funds and liabilities</b>		<u>6,607,149</u>	<u>7,464,047</u>	<u>4,380,691</u>	<u>4,466,137</u>

The accompanying notes form an integral part of these financial statements

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

**STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

**FOR THE YEAR ENDED 31 DECEMBER 2023**

	<u>Note</u>	<u>Group</u>		<u>Institute</u>	
		<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
<b>Income</b>					
Subscription fees, entrance and upgrading fees	(17)	108,779	122,791	108,779	122,791
School of Human Capital Management	(18)	1,432,289	1,893,782	-	-
Corporate Learning and Consultancy Hub	(19)	425,214	412,117	278,614	63,952
Other income	(20)	189,540	246,761	531,007	583,349
<b>Total income</b>		<b>2,155,822</b>	<b>2,675,451</b>	<b>918,400</b>	<b>770,092</b>
<b>Less: Expenses</b>					
School of Human Capital Management	(18)	(602,376)	(764,717)	-	-
Corporate Learning and Consultancy Hub	(19)	(294,265)	(95,165)	(243,170)	(34,367)
Depreciation	(7 & 8)	(379,533)	(384,141)	(39,302)	(40,615)
Employee benefits	(21)	(1,120,941)	(1,021,277)	(589,895)	(581,927)
Rental expenses	(22)	(840)	(840)	(61,968)	(59,368)
Management and other services	(23)	(60,000)	(66,000)	(60,000)	(66,000)
Other operating expenses	(24)	(276,034)	(298,658)	(119,798)	(149,642)
Lease interest		(33,722)	(35,354)	-	-
<b>Total expenses</b>		<b>(2,767,711)</b>	<b>(2,666,152)</b>	<b>(1,114,133)</b>	<b>(931,919)</b>
<b>(Deficit)/ Surplus before income tax</b>		<b>(611,889)</b>	<b>9,299</b>	<b>(195,733)</b>	<b>(161,827)</b>
Add/ (less):					
Income tax benefit/ (expense)	(25)	5,614	(12,908)	-	-
<b>Deficit for the year</b>		<b>(606,275)</b>	<b>(3,609)</b>	<b>(195,733)</b>	<b>(161,827)</b>
(Distribution)/ contribution during the year	(12)	(6,767)	6,731	(3,140)	-
<b>Total comprehensive (deficit)/ surplus for the year</b>		<b>(613,042)</b>	<b>3,122</b>	<b>(198,873)</b>	<b>(161,827)</b>

The accompanying notes form an integral part of these financial statements



# SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

## STATEMENTS OF CHANGES IN FUNDS FOR THE YEAR ENDED 31 DECEMBER 2023

<b>Group</b>	<b>Accumulated</b>		
	<b>Fund</b>	<b>Other funds</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance as at 1.1.2022	4,586,431	1,270,045	5,856,476
Deficit for the year	(3,609)	-	(3,609)
Contribution during the year	-	6,731	6,731
Balance as at 31.12.2022	4,582,822	1,276,776	5,859,598
Deficit for the year	(606,275)	-	(606,275)
Distribution during the year	-	(6,767)	(6,767)
Balance as at 31.12.2023	<b>3,976,547</b>	<b>1,270,009</b>	<b>5,246,556</b>

<b>Institute</b>	<b>Accumulated</b>		
	<b>Fund</b>	<b>Other funds</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
Balance as at 1.1.2022	3,374,121	1,090,229	4,464,350
Deficit for the year	(161,827)	-	(161,827)
Balance as at 31.12.2022	3,212,294	1,090,229	4,302,523
Deficit for the year	(195,733)	-	(195,733)
Distribution during the year	-	(3,140)	(3,140)
Balance as at 31.12.2023	<b>3,016,561</b>	<b>1,087,089</b>	<b>4,103,650</b>

The accompanying notes form an integral part of these financial statements

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2023

	<u>Note</u>	<u>2023</u> S\$	<u>2022</u> S\$
<b>Cash Flows from Operating Activities:</b>			
(Deficit)/ surplus before income tax		(611,889)	9,299
Adjustments for:			
Depreciation of property, plant and equipment	(7)	352,581	357,189
Depreciation of investment property	(8)	26,952	26,952
Derecognition of right-of-use asset		-	(63,364)
Property, plant and equipment written off		-	38,232
Interest income		(43,241)	(9,038)
Lease interest		33,722	35,354
		(241,875)	394,624
Operating cash flows before working capital changes		(241,875)	394,624
Trade and other receivables		(100,007)	36,520
Contract asset		-	4,200
Trade and other payables		63,336	(225,884)
Contract liabilities		(21,945)	(39,217)
Provision for reinstatement		-	(54,450)
		(300,491)	115,793
Cash (used in)/ generated from operations		(300,491)	115,793
Income tax paid	(25)	(7,719)	(21,250)
		(308,210)	94,543
<b>Cash flows (used in)/ from operating activities</b>		<b>(308,210)</b>	<b>94,543</b>
<b>Investing activities:</b>			
Contribution from other Funds	(12)	(6,767)	6,731
Fixed deposit and bank interest received		14,481	9,038
Acquisition of property, plant and equipment	(7)	(22,110)	(110,430)
		(14,396)	(94,661)
<b>Cash flows used in investing activities</b>		<b>(14,396)</b>	<b>(94,661)</b>
<b>Financing activities:</b>			
Principal portion of lease liability	(28)	(271,914)	(257,282)
Interest portion of lease liability	(28)	(33,722)	(35,354)
		(305,636)	(292,636)
<b>Cash flows used in financing activities</b>		<b>(305,636)</b>	<b>(292,636)</b>
Net decrease in cash and cash equivalents		(628,242)	(292,754)
Cash and cash equivalents at beginning of year		3,648,970	3,941,724
<b>Cash and cash equivalents at end of year</b>	(11)	<b>3,020,728</b>	<b>3,648,970</b>

The accompanying notes form an integral part of these financial statements

# SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

## NOTES TO THE FINANCIAL STATEMENTS

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

### 1. GENERAL

#### a) Corporate Information

Singapore Human Resources Institute (UEN No: S65SS0045C) is domiciled and registered in the Republic of Singapore under the Societies Act 1966.

The registered office and principal place of business is at:

137 Cecil Street  
#09-08 Cecil Building  
Singapore 069537

The principal objectives of the Institute are to promote, encourage and stimulate interest in HR management by providing facilities for the study and research in HR management, and associate with other organisations to promote HR management training.

The principal activities of the subsidiaries are disclosed in Note 9 to the financial statements.

#### b) Authorisation of financial statements

The consolidated financial statements of the Group and the statement of financial position, the statement of profit and loss and other comprehensive income and statement of changes in funds of the Institute for the financial year ended 31 December 2023 were authorised for issue by the Executive Council on 12 March 2024.

### 2. MATERIAL ACCOUNTING POLICY INFORMATION

#### 2.1 Basis of Preparation

The financial statements of the Institute and subsidiaries are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Societies Act 1966 and Singapore Companies Act, respectively, and Singapore Financial Reporting Standards ("FRS") including related interpretations of FRS ("INT FRS") promulgated by the Accounting Standards Council ("ASC").

The accounting policies have been consistently applied by the Group and the Institute, and are consistent with those used in the previous financial year.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumption and estimates are significant to the financial statements are disclosed in Note 4.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.2 Changes in Accounting Policies

###### (a) Adoption of new and revised FRSs and INT FRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group and Institute have adopted all the new and amended standards which are relevant to the Group and Institute and are effective for annual financial periods beginning on or after 1 January 2023. The adoption of these new/revised FRSs did not result in changes to the company's accounting policies and has no material effect on the amounts reported for the current or prior financial years except as follows:

###### (b) Standards issued but not yet effective

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group were issued but not yet effective:

<u>Reference</u>	<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Various	Amendments FRS 1: Non-current Liabilities with Covenants	1 January 2024
FRS 1	Amendments FRS 1: Presentation of Financial Statements - Classification of Liabilities as Current or Non-current	1 January 2024
FRS 116	Amendments FRS 116: Lease Liability in a Sale and Leaseback	1 January 2024
FRS 110 and FRS 28	Amendments FRS 110 and FRS 28: Sale or Contribution of Assets between an investor and its Associate or Joint Venture	To be determined

The Group and the Institute expect that the adoption of the above standards and interpretations above will have no material impact on the financial statements in the period of initial application.

##### 2.3 Functional and Foreign Currency

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

The Executive Council has determined the currency of the primary economic environment in which the Group operates i.e. functional currency, to be the Singapore dollar. The financial statements of the Group and Institute are presented in Singapore dollar, which is also the Institute's functional currency.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.3 Functional and Foreign Currency – cont'd

###### *Foreign currency transactions*

Transactions in foreign currencies are translated into the functional currency using the exchange rate in effect at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

##### 2.4 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Institute and its subsidiaries made up to 31 December.

Control is achieved where the Group has all the following:

- (i) has power over the investee;
- (ii) is exposed to, or has rights to, variable returns from its involvement with the investee; and
- (iii) has the ability to affect those returns through its power over the investee.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Group and to the non-controlling interest. Total comprehensive income of subsidiaries is attributed to the owners of the Group and to the non-controlling interests even if this results in the non-controlling interest having a deficit balance.

Consistent accounting policies are applied for like transactions and events in similar circumstances. Intra-group balances and transactions, including income, expenditure and dividends, are eliminated on consolidation. Any profits and losses resulting from intra-group transactions that are recognised in assets, such as inventory and property, plant and equipment, are also eliminated on consolidation.

##### 2.5 Subsidiary

In the Institute's separate financial statements, investments in subsidiaries are stated at cost less impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Investments in subsidiaries are held in trust by two members of the Executive Council.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.6 Business Combination

Business combinations are accounted for using the acquisition method. The consideration transferred for the acquisition comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. Acquisition related costs are recognised as expenditure as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date.

Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the entity over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. If the recoverable amount of the cash-generating unit is less than its carrying amount, an impairment loss is recognised in profit or loss. Impairment loss recognised for goodwill is not reversed in a subsequent period.

When a change in the Institute's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill, non-controlling interest and other components of equity related to the subsidiary are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to Accumulated Fund if required by a specific FRS.

##### 2.7 Property, Plant and Equipment

###### Measurement

Property, plant and equipment are initially stated at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses, if any.

###### Component of costs

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.7 Property, Plant and Equipment – cont'd

###### Depreciation

Depreciation is calculated on the straight-line method to write off the cost of the assets over their estimated useful lives or in the case of right of use asset, the shorter of the asset's estimated useful lives or the lease terms.

	<u>Years</u>
Furniture & fittings	3
Computers and software	3
Renovations	3
Office equipment	3
Office and classroom premises	5

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period. The effects of any revision of the residual values and useful lives are included in profit or loss for the financial year in which the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

###### Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance in profit or loss during the financial year in which it is incurred.

###### Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

##### 2.8 Investment Property

Investment property, comprise freehold building. Investment property is a property held by the Institute to earn rental income or for capital appreciation or both.

###### Measurement

Investment property is initially measured at cost. After initial recognition, investment property is stated at cost less accumulated depreciation and less any accumulated impairment loss.

###### Component of costs

These costs include costs incurred initially to acquire the property, including transaction costs and costs incurred subsequently to add to, replace part of, or service the property.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.8 Investment Property – cont'd

###### Depreciation

Depreciation is calculated on the straight-line method to write off the cost over its estimated useful lives of 100 years.

The estimated useful lives and depreciation of the investment property are reviewed, adjusted as appropriate, at the end of reporting date. The effects of any revision are recognised in profit or loss when the changes arise.

###### Subsequent expenditure

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as addition and the carrying amounts of the replaced components are written off to the statement of comprehensive income. The cost of maintenance, repairs and minor improvements is charged to profit or loss when incurred.

###### Transfer

Transfer is made to or from investment property only when there is a change in use. For a transfer from investment property to owner occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under plant and equipment up to the date of change in use.

###### Disposal

On disposal of investment property, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

##### 2.9 Impairment of Non-financial assets

At each end of the reporting period, the Group reviews the carrying amounts of its tangible and intangible 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). Where it is not possible to estimate the recoverable amount of an individual asset, the Institute 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 a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.



## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.9 Impairment of Non-financial assets – cont'd

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) 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 (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of comprehensive income, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

##### 2.10 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

###### *As a lessee*

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

###### *Right-of-Use Asset*

The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

Right-of-use assets are generally depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis. If the Group is reasonably certain to exercise a purchase option, the right-of-use asset is depreciated over the underlying asset's useful life (which is determined on the same basis as those of property and equipment)

The Group also assesses the right-of-use asset for impairment when such indicators exist. In addition, the right-of-use asset is periodically adjusted for certain re measurements of the lease liability.

###### *Lease liability*

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate, being the rate, it would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.10 Leases - cont'd

Lease payments included in the measurement of the lease liability are made up of fixed payments, variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee, lease payments arising from extension options reasonably certain to be exercised, exercise price under purchase option reasonably certain to be exercised and penalties for early termination of a lease unless the Group is reasonably certain not to terminate early.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments are allocated between principal and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

##### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for short-term leases and leases of low-value assets. Lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

Short-term leases are leases with a lease term of 12 months or less. Low-value assets comprise items of office equipment with individual values not exceeding S\$1,500.

##### As a lessor

The Group and Institute leases out its investment property.

Leases where the Group retains substantially all risks and rewards incidental to ownership of the underlying asset, are classified as operating leases. The Group recognises lease payments received under operating leases as income on a straight-line basis over the lease term.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership. Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to reporting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes lease and non-lease components, the Group applies FRS 115 to allocate the consideration under the contract to each component.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.11 Cash and cash equivalents

For the purpose of presentation on the statements of cash flows, cash and cash equivalents comprise cash on hand, cash at bank and fixed deposits, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value; and excludes pledged deposits.

##### 2.12 Related Parties

A related party is a person or an entity related to the Group and Institute and is further defined as follows:

A person or a close member of that person's family is related to the Group and Institute if that person:

- (i) has control or joint control over the Institute;
- (ii) has significant influence over the Institute; or
- (iii) is a member of the key management personnel of the Group or of a parent of the Institute.

An entity is related to the Institute if any of the following conditions applies:

- (iv) the entity and the Institute are members of the same Group (i.e. each parent, subsidiary and fellow subsidiary are related to the others);
- (v) one entity is an associate or joint venture of the other entity or an associate or joint venture of a member of a Group of which the other entity is a member;
- (vi) both entities are joint ventures of the same third party;
- (vii) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
- (viii) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Institute. If the Institute is itself such a plan, the sponsoring employers are also related to the Institute;
- (ix) the entity is controlled or jointly controlled by a person identified in a(i); or
- (x) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity or of a parent of the entity.
- (xi) the entity, or any member of a Group of which it is a part, provides key management personnel services to the Institute or to the parent of the Institute.

Close members of the family of a person are those family members who may be expected to influence, or be influenced by, that person in their dealings with the entity and include:

- (a) that person's children and spouse or domestic partner;
- (b) children of that person's spouse or domestic partner; and
- (c) dependants of that person or that person's spouse or domestic partner.

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the entity, directly or indirectly, including any director of the Institute.

Key management personnel refer to Executive Director of the Executive Council.

Related party transactions and outstanding balances disclosed in these financial statements are in accordance with the above definition as per FRS 24 – Related Party Disclosures.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.13 Revenue Recognition

Revenue is measured based on the consideration to which the Group and the Institute expect to be entitled in exchange for transferring promised goods or services to the customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group and the Institute satisfy a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

The Group recognises revenue from the following major sources:

- Membership subscription, entrance and upgrading fees;
- Course fees from training courses;
- Talks, seminars and workshops; and
- Consultancy fees.

##### Membership subscription fees

Membership subscription fees are recognised as income in the year to which the subscription relates. The performance obligation is satisfied over time. Unearned income relating to future years is included in contract liabilities. Subscription fees are due upon registration and non-refundable.

##### Entrance and upgrading fees

Revenue from entrance and upgrading fees are recognised at a point in time upon processing.

##### Course fees

Revenue from training courses are recognised over the duration of the programmes and in the period in which the service is provided, having regard to the stage of completion of the service. The performance obligation is satisfied over time. Unearned income relating to the service to be rendered in future periods is included in contract liabilities.

##### Talks, seminars and workshops

Revenue from talks, seminars and workshops are recognised at a point in time upon the completion of such events as these events are normally of short-term duration.

##### Consultancy fees

The Group provides human resource management (HRM) consultancy services. Revenue from these services is recognised over the period of the contract. Performance obligation is satisfied is over time. The services performed has no alternative use due to the contractual restriction and the Group has enforceable rights to payment arising from the contractual terms.

A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Unearned income relating to service to be rendered in future periods is included in contract liabilities.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.14 Other income

###### *Rental income*

Rental income from operating lease and income from rental of right-of-use asset are recognised on a straight-line basis over the lease term. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

###### *Interest income*

Interest income is recognised using the effective interest method.

##### 2.15 Government Grants

Grants from the government are recognised as a receivable at its fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grant receivables are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grant relating to expenses are shown separately as other income.

##### 2.16 Employee benefits

###### a) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

###### b) Defined contribution plans

Payments to defined contribution plans are charged as an expense as they fall due. Payments made to state-managed 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 plan.

##### 2.17 Income Tax

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

###### *Current tax*

The tax currently payable is based on taxable surplus for the year. Taxable surplus differs from surplus 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 Group's liability for current tax is calculated using tax rates that have been enacted or substantially enacted at the reporting date.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.17 Income Tax – cont'd

###### *Deferred tax*

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

Deferred tax liabilities are recognised for all temporary differences except where the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at that time of the transaction, affects neither accounting profit nor taxable surplus or deficit.

Deferred income tax assets are recognised for all deductible temporary differences carry-forward of unused tax assets and unused tax losses to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences, carry-forward of unused tax assets and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arise from the initial recognition of an asset or liability in a transaction and at the time of transaction affects neither the accounting surplus nor taxable surplus or deficit.

The carrying amount of a deferred tax asset is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable surplus will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable surplus will allow the deferred tax asset to be recovered.

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

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

##### 2.18 Goods and Services Tax ("GST")

Revenues, expenses and assets are recognised net of the amount of GST except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 2. MATERIAL ACCOUNTING POLICY INFORMATION – cont'd

##### 2.19 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group 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 statement of financial position date, 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 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.

##### 2.20 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more uncertain future event not wholly within the control of the Group or the Institute. It can also be a present obligation arising from past events that is not recognised because it is not probable that outflow of economic resources will be required or the amount of obligation cannot be measured reliably.

A contingent liability is not recognised but is disclosed in the notes to the financial statements. When changes in the probability of an outflow occur so that the outflow is probable, it will then be recognised as a provision.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain events not wholly within the control of the Group or the Institute.

Contingent assets are not recognised but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable. When inflow is virtually certain, an asset is recognised.

##### 2.21 Events after the end of the reporting period

Events after the end of the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the financial statements. Events after the end of the reporting period that are not adjusting events are disclosed in the notes to the financial statements when material.

#### 3. FINANCIAL INSTRUMENTS

Financial assets and financial liabilities are recognised on the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### Amortised cost and effective interest method

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any loss allowance.

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or interest expense in profit or loss over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (excluding expected credit losses) or payments, through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset on initial recognition or to the amortised cost of a financial liability.

#### 3.1 Financial Assets

##### Classification and measurement

The classification of financial assets, at initial recognition, depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group initially measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition. A trade receivable without a significant financing component is initially measured at the transaction price.

##### *Debt Instruments at amortised cost*

A financial asset is measured at amortised cost if:

- The financial asset is held within a business model with the objective of collecting contractual cash flows; and
- These contractual cash flows comprise solely of principal and interest payments on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest rate (EIR) method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised, or impaired, and through the amortisation process. Interest income from these financial assets is included in interest income using the effective interest rate (EIR) method.

##### Impairment

The Group assesses on a forward-looking basis the expected credit losses (ECL) associated with all debt instruments carried at amortised cost.



## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.1 Financial Assets – cont'd

###### Impairment – cont'd

ECL are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages:

- For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (12-month ECL).
- For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Group, based on its historical credit loss experience, adjusts as appropriate for current conditions and forward-looking factors specific to the debtors and the economic environment. If the Group has measured the loss allowance for a financial asset at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

###### Derecognition

A financial asset is derecognised where the contractual rights to receive cash flows from the asset has expired or it transfers the financial asset and substantially all the risks and rewards or ownership of the asset to another entity.

On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in profit or loss.

##### 3.2 Financial Liabilities

###### Classification and measurement

###### *Financial liabilities at amortised cost*

The Group determines the classification of its financial liabilities at initial recognition. Financial liabilities are initially recognised at fair value of consideration received net of transaction costs.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 3. FINANCIAL INSTRUMENTS – cont'd

##### 3.2 Financial Liabilities – cont'd

###### Classification and measurement – cont'd

###### *Financial liabilities at amortised cost – cont'd*

After initial recognition, they are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

###### Derecognition

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

On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, the Executive Council is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The 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 if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

##### (a) Critical judgement in applying the Institute's accounting policies

In the process of applying the Group's accounting policies, which are described in Note 2, the Executive Council has made the following judgements that have the most significant effect on the amounts recognised in the financial statements (apart from those involving estimations, which are dealt in 4(b))

###### *Income tax*

Significant judgement is required in determining the capital allowances and deductibility of certain expenses during the estimation of the provision for income tax. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for anticipated tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred income tax provisions in the period in which such determination is made.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd

##### (b) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

##### *Impairment of property, plant and equipment and investment property*

The Group reviews the carrying amounts of the property, plant and equipment and investment property at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and investment property, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposal of such assets, require the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial condition and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable values and may lead to future impairment charge.

The carrying amounts of the Group's and the Institute's property, plant and equipment and the institute's investment property as at the reporting date are disclosed in Notes 7 and 8 to the financial statements respectively.

##### *Depreciation of property, plant and equipment and investment property*

The cost of property, plant and equipment and investment property are depreciated on a straight-line basis over their respective useful lives. The Executive Council estimates the useful lives of property, plant and equipment to be from 3 years to 5 years and investment property to be 100 years. The estimation of the useful lives and residual amount involves assumptions concerning the future and estimations of the assets common life expectancies and expected level of usage. Any changes in the expected useful lives of these assets would affect the net carrying amounts of property, plant and equipment and investment property, and the depreciation charges for the financial year.

##### *Determination of lease terms*

The Group leases office and classroom premises from a third party. Included in the lease is an extension option held and exercisable only by the Group. In determining the lease term, the Executive Council consider all facts and circumstances that create an economic incentive to extend and economic penalty or costs relating to the termination of lease.

After the lease commencement date, the Group, only reassesses the lease term when there is a significant event or change in circumstances that is within its control to affect whether it is reasonably certain to exercise the option.

##### *Loss allowance for impairment on trade and other receivables*

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due and is initially based on the company's historical observed default rates.

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**4. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY – cont'd**

(b) Key sources of estimation uncertainty – cont'd

*Loss allowance for impairment on trade and other receivables – cont'd*

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECL is sensitive to changes in circumstances and of forecast economic conditions. The company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

For other receivables, management determines whether there is significant increase in credit risk of these receivables since initial recognition. Management uses judgement in making the determination and considers the credit worthiness and financial condition of the counterparties and management's view of economic conditions over the expected lives of the receivables.

The carrying amount of group's and the institute's trade and other receivables at the end of the reporting period is disclosed in Note 10 to the financial statements.

*Impairment of investment in subsidiaries*

The Institute follows the guidance of FRS 36 in determining the recoverability of its investments in subsidiaries. The Institute determines the recoverable amount of the subsidiaries based on the subsidiaries' net assets values at the end of the reporting period as in the opinion of the Executive Council, the net assets values of these subsidiaries reasonably approximate the fair values less costs to sell.

The carrying amount of Institute's investment in subsidiaries as at the reporting date is disclosed in Note 9 to the financial statements.

**5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES**

5.1 Categories of financial instruments

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
<b>Financial assets</b>				
<u>At amortised cost</u>				
Trade and other receivables	292,979	233,067	174,574	95,727
Cash and bank balances	<u>3,061,392</u>	<u>3,689,634</u>	<u>2,005,732</u>	<u>2,154,472</u>
	<u>3,354,371</u>	<u>3,922,701</u>	<u>2,180,306</u>	<u>2,250,199</u>
<b>Financial liabilities</b>				
<u>At amortised cost</u>				
Trade and other payables	194,352	136,301	227,038	126,103
Lease liability	<u>968,579</u>	<u>1,240,493</u>	<u>-</u>	<u>-</u>
	<u>1,162,931</u>	<u>1,376,794</u>	<u>227,038</u>	<u>126,103</u>

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.1 Categories of financial instruments – cont'd

Further quantitative disclosures are included throughout these financial statements.

##### 5.2 Financial risk management policies and objectives

The Group's overall risk management policy seeks to minimize potential adverse effects on the financial performance of the Group. The Group however, does not have any written risk management policies and guidelines. The Executive Council meets periodically to analyze, formulate and monitor the following risk management of the Group and of the Institute and believe that the financial risks associated with these financial instruments are minimal.

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign exchange risk and liquidity risk. There has been no change to the Group's exposure to the financial risks or the manner in which it manages and measures the risk.

The policies for managing each of these risks are summarised below:

##### (a) Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group.

The Group's exposure to credit risk arises primarily from trade and other receivables, fixed deposits and bank balances.

The Group's fixed deposits and bank balances are held in major financial institutions which are regulated and located in Singapore, with high credit ratings assigned by international credit-rating agencies.

Students are required to pay their course fees in advance. Therefore, the Group does not expect material credit losses on its debts with students. For other customers for the Group's training and consultancy services, the Group has adopted a policy of only dealing with creditworthy counterparties. The Group performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral. No formal credit limits are imposed and credit risk is managed through regular monitoring of conduct of accounts.

At the end of the reporting period:

- (i) The Group has no significant concentration of credit risk.
- (ii) The Institute's significant concentration of credit risk is with a subsidiary amounting to S\$68,817 (2022: S\$29,385) which accounted for 45% (2022: 47%) of its trade receivables.

##### Credit risk management

The Group considers the probability of default upon initial recognition of asset and at each reporting date, assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.2 Financial risk management policies and objectives – cont'd

##### (a) Credit Risk – cont'd

###### Credit risk management – cont'd

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and include forward-looking information.

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

A financial asset is assessed as "credit-impaired" when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. These events, which the Group considers as "default events" include probability of insolvency, significant financial difficulties of the debtor and default or significant delay in payments.

A trade receivable is written off when there is information indicating that there is no realistic prospect of recovery from the debtor such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Where receivables have been written off, the Group continues to engage enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

###### *Credit risk rating grades*

The Group's current credit risk grading framework comprises the following categories:

Category	Definition of category	Basis for recognising expected credit loss provision (ECL)
Performing	Counterparty has a low risk of default and a strong capacity to meet contractual cash flows	12-month ECL
Under performing (Doubtful)	Interest and/or principal is more than 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL (not credit impaired)
Non-performing (In default)	Interest and/or principal is more than 90 days past due or there is evidence indicating the asset is credit impaired	Lifetime ECL (credit impaired)
Write-off	Interest and/or principal is more than 365 days past due or there is evidence indicating the counterparty is in severe financial difficulty and there is no reasonable expectation of recovery	Amount is written off

There are no significant changes to estimation techniques or assumptions made during the reporting period.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.2 Financial risk management policies and objectives – cont'd

##### (a) Credit Risk – cont'd

###### *Credit risk rating grades – cont'd*

The Group applies the simplified approach to measure the lifetime ECL for trade receivables and contract assets. The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions. There has been no change in the estimation techniques or significant assumptions made during the current financial year.

Where receivables have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivable due. Where recoveries are made, these are recognised in profit or loss.

Under the credit risk grading, trade receivables, other receivables and bank balances have been assessed as performing.

###### Expected credit loss assessment

The following are qualitative information on expected credit loss for financial assets under amortised cost.

- Other receivables

Management assessed credit risk for these has not increased significantly since their initial recognition. Therefore, these have been measured based on 12-month expected credit loss model and management considers the amount of ECL is insignificant.

- *Cash and bank balances*

The Group places its bank deposits with credit worthy financial institutions. Impairment on bank balances are measured on the 12-month expected loss basis. Management considers that its bank balances have low credit risk based on the external credit ratings of the counterparties. Therefore, management considers the amount of ECL is insignificant.

##### (b) Interest Rate Risk

The Group is exposed to interest rate risk through the impact of rate changes on its interest bearings fixed deposits.

###### Interest rate sensitivity

The sensitivity analyses below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period. For variable-rate bank borrowings, the analysis is prepared assuming the amount of liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the possible change in interest rates.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES – cont'd

##### 5.2 Financial risk management policies and objectives – cont'd

##### (b) Interest Rate Risk – cont'd

Interest rate sensitivity – cont'd

If interest rate had been 100 basis points higher/lower and all other variables were held constant, the group's and the institute's profit or loss for the year ended 31 December 2023 would increase/decrease by S\$16,653 and S\$12,365 (2022: S\$26,255 and S\$21,520) respectively.

##### (c) Foreign Exchange Risk

Foreign currency exchange rate risk arose from the change in foreign exchange rates that may have an adverse effect on the Group in the current reporting period and in the future years.

The Group's operations are not significantly exposed to foreign currency exchange rate risk as its operations are almost entirely in Singapore dollar. The Group and the Institute have no significant financial assets and liabilities held in foreign currencies. The sensitivity analysis for changes in foreign exchange rate is not disclosed as the effect on profit or loss is not considered significant.

##### (d) Liquidity Risk

Liquidity risk refer to risk that the Group will not have sufficient funds to pay its debts as and when they fall due.

In the management of liquidity risk, the Group and the Institute monitor and maintain a level of cash and bank balances deemed adequate by the Executive Council to finance the Group and the Institute operations and mitigate the effects of fluctuations in cash flows.

The following table summarises the Group's and Institute's remaining contractual maturity for its non-derivative financial liabilities at the end of the reporting period based on undiscounted cash flows of financial liabilities based on the earlier of the contractual date or when the Group is expected to pay.

<u>Group</u>	Effective interest rate (%)	Carrying amount S\$	← Undiscounted cash flows →		
			Within one year S\$	Two to five years S\$	Total S\$
<b>2023</b>					
<b>Financial liabilities</b>					
Trade and other payables	-	194,352	194,352	-	194,352
Lease liability	3%	968,579	305,635	713,149	1,018,784
		<u>1,162,931</u>	<u>499,987</u>	<u>713,149</u>	<u>1,213,136</u>



**SINGAPORE HUMAN RESOURCES INSTITUTE  
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**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**5. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES AND CAPITAL RISK MANAGEMENT POLICIES AND OBJECTIVES – cont'd**

**5.2 Financial risk management policies and objectives – cont'd**

**(d) Liquidity Risk – cont'd**

<u>Group</u>	Effective interest rate (%)	Carrying amount S\$	← Undiscounted cash flows →		
			Within one year S\$	Two to five years S\$	Total S\$
<b><u>2022</u></b>					
<b>Financial liabilities</b>					
Trade and other payables	-	136,301	136,301	-	136,301
Lease liability	3%	1,240,493	305,635	1,018,784	1,324,419
		<u>1,376,794</u>	<u>441,936</u>	<u>1,018,784</u>	<u>1,460,720</u>

<u>Institute</u>	Effective interest rate (%)	Carrying amount S\$	Undiscounted cash flows Within one year S\$
<b><u>2023</u></b>			
<b>Financial liabilities</b>			
Trade and other payables	-	<u>227,038</u>	<u>227,038</u>

<u>Institute</u>	Effective interest rate (%)	Carrying amount S\$	Undiscounted cash flows Within one year S\$
<b><u>2022</u></b>			
<b>Financial liabilities</b>			
Trade and other payables	-	<u>126,103</u>	<u>126,103</u>

**(e) Fair value of financial assets and financial liabilities**

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

The carrying amounts of trade and other receivables, cash and bank balances, fixed deposits, trade and other payables and lease liability approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

The Group does not anticipate that the carrying amounts recorded at the end of the reporting period would significantly differ from the values that would eventually be received or settled.

**(f) Fund management**

The Group's and the Institute's objectives when managing the accumulated fund and other funds are to safeguard the Group's and the Institute's ability to maintain adequate working capital, to continue as going concern, to promote its objective to lead, develop and support human resource professionals in Singapore and uphold the public interest. These objectives remain unchanged from previous year.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 6. RELATED PARTY BALANCES AND TRANSACTIONS

Related parties in these financial statements include the members of the Institute's group of companies.

The inter-group balances, disclosed in Notes 10 and 15, are unsecured, interest free and repayable on demand unless stated otherwise. These amounts are expected to be settled in cash.

The following transactions and arrangements are between members of the Group and the effects of these on the basis determined between the parties are reflected in these financial statements.

##### (i) Transactions with subsidiaries

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
<u>Income</u>				
Payroll and other related cost recharged to subsidiaries	-	-	440,208	453,089
Digital marketing cost (reversed)/ re-charged to subsidiaries	-	-	(1,913)	24,787
License fee re-charged to subsidiaries	-	-	-	7,327
Recovery of grant	-	-	10,000	-
<u>Expenses</u>				
Rental charged	-	-	61,128	58,528

##### (ii) Key management personnel compensation

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the Group, directly or indirectly.

	<u>Group and Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$
(a) Remuneration of Key Management Personnel		
Salaries and bonus	127,000	133,703
Contributions to CPF	8,704	12,105
	<u>135,704</u>	<u>145,808</u>
(b) Transaction with Key Management Personnel		
Provision of management services	<u>44,000</u>	<u>22,000</u>

**SINGAPORE HUMAN RESOURCES INSTITUTE  
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. PROPERTY, PLANT AND EQUIPMENT

<u>Group</u>	Computers & software S\$	Renovations S\$	Office Equipment S\$	Office & Classroom Premises * S\$	Total S\$
<u>Cost</u>					
At 1.1.2022	94,459	229,877	6,047	1,170,264	1,500,647
Additions	20,256	89,353	821	1,417,443	1,527,873
Written off	-	(100,000)	-	-	(100,000)
Derecognition due to early termination of lease	-	-	-	(1,170,264)	(1,170,264)
At 31.12.2022	114,715	219,230	6,868	1,417,443	1,758,256
Additions	22,110	-	-	-	22,110
<b>At 31.12.2023</b>	<b>136,825</b>	<b>219,230</b>	<b>6,868</b>	<b>1,417,443</b>	<b>1,780,366</b>
<u>Accumulated depreciation</u>					
At 1.1.2022	87,819	102,314	504	351,079	541,716
Charge for the year	6,878	77,531	5,771	267,009	357,189
Written off	-	(61,768)	-	-	(61,768)
Derecognition due to early termination of lease	-	-	-	(429,096)	(429,096)
At 31.12.2022	94,697	118,077	6,275	188,992	408,041
Charge for the year	11,378	57,440	274	283,489	352,581
<b>At 31.12.2023</b>	<b>106,075</b>	<b>175,517</b>	<b>6,549</b>	<b>472,481</b>	<b>760,622</b>
<u>Carrying amount</u>					
As at 31.12.2022	20,018	101,153	593	1,228,451	1,350,215
<b>As at 31.12.2023</b>	<b>30,750</b>	<b>43,713</b>	<b>319</b>	<b>944,962</b>	<b>1,019,744</b>

**SINGAPORE HUMAN RESOURCES INSTITUTE  
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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

7. PROPERTY, PLANT AND EQUIPMENT – cont'd

<u>Institute</u>	Office Equipment	Computers and software	Renovation	Total
	S\$	S\$	S\$	S\$
<b><u>Cost</u></b>				
At 1.1.2022	-	33,778	27,500	61,278
Additions	821	9,330	-	10,151
At 31.12.2022	821	43,108	27,500	71,429
Additions	-	22,110	-	22,110
<b>At 31.12.2023</b>	<b>821</b>	<b>65,218</b>	<b>27,500</b>	<b>93,539</b>
<b><u>Accumulated depreciation</u></b>				
At 1.1.2022	-	28,838	12,941	41,779
Charge for the year	228	3,729	9,706	13,663
At 31.12.2022	228	32,567	22,647	55,442
Charge for the year	274	7,223	4,853	12,350
<b>At 31.12.2023</b>	<b>502</b>	<b>39,790</b>	<b>27,500</b>	<b>67,792</b>
<b><u>Carrying amount</u></b>				
<b>As at 31.12.2022</b>	<b>593</b>	<b>10,541</b>	<b>4,853</b>	<b>15,987</b>
<b>As at 31.12.2023</b>	<b>319</b>	<b>25,428</b>	<b>-</b>	<b>25,747</b>

\* The Group has presented right-of-use asset within Property, Plant and Equipment'. Right-of-Use asset comprise office and classroom premises.

The Group leases premises for its office and classrooms at 137 Cecil Street #09-01 to #09-10 Singapore 069537. The remaining lease term as at 31 December 2023 is 40 months (2022: 52 months).

The lease term included the extension period of 2 years as it is reasonably certain that the extension option will be exercised.

During the year, the Company carried out a review of the recoverable amount of its property, plant and equipment. As a result, no allowance for impairment or revisions to the useful lives is required.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 8. INVESTMENT PROPERTY

	<u>Group and Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$
At cost:		
Freehold property	2,695,107	2,695,107
Less: Accumulated depreciation		
At beginning of year	637,521	610,569
Depreciation for the year	26,952	26,952
At end of year	664,473	637,521
Carrying amount	2,030,634	2,057,586
Fair value of investment property at end of year	6,030,682	6,030,682

In accordance with the Constitution of the Institute, the investment property is held in trust by Mr. Tan Eng Leong and Mr. Loh Meng See, both members of the Institute.

Details of the investment property is as follows:

<u>Location</u>	<u>Tenure</u>
5B Guillemard Road. Level 3 Wing Fong Building Singapore 048580	Freehold

The fair values in 2022 and 2023 are estimated by the Executive Council who has considered the current market conditions and property outlook in Singapore.

The investment property is leased to a third party under non-cancellable operating lease (Note 26).

The following amounts are recognised in profit or loss:

	<u>Group and Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$
Rental income	45,000	61,200
Property tax	(5,040)	(5,040)
Repairs and maintenance	(25,215)	(19,575)

#### 9. INVESTMENT IN SUBSIDIARIES

	<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$
Unquoted equity shares, at cost	100,000	100,000

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 9. INVESTMENT IN SUBSIDIARIES – cont'd

Details of subsidiaries held by the Institute:

<u>Name of subsidiary</u>	<u>Place of business and country of incorporation</u>	<u>Principal activities</u>	<u>Percentage of equity held by the Group</u>	
			<u>2023</u> %	<u>2022</u> %
<u>Held by in trust *</u>				
SHRI Corporation Pte. Ltd	Singapore	Providing training, programmes, consultancy and courses in human resources	99.996	99.996
<u>Held through SHRI Corporation Pte. Ltd</u>				
SHRI Academy Pte. Ltd.	Singapore	Operator of commercial schools	100	100

\* 99.996% of the shares in SHRI Corporation Pte. Ltd. are held in trust by Mr. Yeo Yun Seng and Mr. Kao Beng Lee, members of the Institute.

The above subsidiaries are audited by Rama & Co LLP, Public Accountants and Chartered Accountants, Singapore.

As at the end of the reporting period, the Institute carried out a review on the recoverable amount of its investments in subsidiaries. The review revealed no impairment was required during the financial year. The recoverable amount of the subsidiaries have been determined on the basis of their net assets values at the end of the reporting period as in the opinion of the Executive Council the net assets values of these subsidiaries reasonably approximate their fair values less costs to sell.

#### 10. TRADE AND OTHER RECEIVABLES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Trade receivables:				
- Third parties	124,477	77,848	56,394	25,605
- Subsidiaries	-	-	95,924	37,473
	<u>124,477</u>	<u>77,848</u>	<u>152,318</u>	<u>63,078</u>
Other receivables	4,162	1,044	2,850	500
SDF receivable	52,131	70,760	-	-
Fixed deposit interest receivable	33,110	4,350	19,306	4,350
Payroll and other cost recoverable	-	-	-	27,733
Rental and other deposits	79,099	79,065	100	66
	<u>292,979</u>	<u>233,067</u>	<u>174,574</u>	<u>95,727</u>
Course fees billed in advance by vendor	39,775	26,400	-	-
Deferred cost	12,316	12,316	12,316	12,316
Advance payment for plant and equipment	92,102	38,549	-	-
Advance payment for website development	-	4,200	-	4,200
Non refundable deposit	24,102	-	24,102	-
Prepayments	34,105	52,080	7,586	25,849
	<u>495,379</u>	<u>366,612</u>	<u>218,578</u>	<u>138,092</u>

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**

**10. TRADE AND OTHER RECEIVABLES – cont'd**

Trade receivables are non-interest bearing and on cash terms except for amounts due from subsidiaries which are generally settled on 30 days term (2022: 30 days).

The credit risk profile of trade receivables is presented based on their past due status as follows:

<u>Group</u> <u>2023</u>	Not past due US\$	< 30 days US\$	Days past due			Total US\$
			31 to 60 days US\$	61 to 90 days US\$	>90 days US\$	
Trade receivables	-	39,618	39,412	18,684	26,763	124,477
- gross amount	-	- *	- *	- *	- *	-
Expected credit loss (ECL)	-	- *	- *	- *	- *	-
						124,477
<u>Group</u> <u>2022</u>	Not past due US\$	< 30 days US\$	Days past due			Total US\$
			31 to 60 days US\$	61 to 90 days US\$	>90 days US\$	
Trade receivables	-	7,490	42,780	2,384	25,194	77,848
- gross amount	-	- *	- *	- *	- *	-
Expected credit loss (ECL)	-	- *	- *	- *	- *	-
						77,848
<u>Institute</u> <u>2023</u>	Not past due US\$	< 30 days US\$	Days past due			Total US\$
			31 to 60 days US\$	61 to 90 days US\$	>90 days US\$	
Trade receivables	66,017	28,597	41,612	13,824	2,268	152,318
- gross amount	- *	- *	- *	- *	- *	-
Expected credit loss (ECL)	- *	- *	- *	- *	- *	-
						152,318
<u>Institute</u> <u>2022</u>	Not past due US\$	< 30 days US\$	Days past due			Total US\$
			31 to 60 days US\$	61 to 90 days US\$	>90 days US\$	
Trade receivables	37,473	7,490	15,515	800	1,800	63,078
- gross amount	- *	- *	- *	- *	- *	-
Expected credit loss (ECL)	- *	- *	- *	- *	- *	-
						63,078

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 10. TRADE AND OTHER RECEIVABLES – cont'd

\* Expected credit loss allowance for trade receivables is insignificant as at 31 December 2023 and 2022.

Trade and other receivables are denominated in Singapore dollars.

#### 11. CASH AND BANK BALANCES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Cash and bank balances	680,983	1,819,309	125,323	284,147
Fixed deposits	<u>2,380,409</u>	<u>1,870,325</u>	<u>1,880,409</u>	<u>1,870,325</u>
Total cash and bank balances	<u>3,061,392</u>	3,689,634	<u>2,005,732</u>	<u>2,154,472</u>
Less: Fixed deposits pledged	<u>(40,664)</u>	<u>(40,664)</u>		
Cash and cash equivalents per Consolidated Statement of Cash Flows	<u>3,020,728</u>	<u>3,648,970</u>		

Fixed deposits for the Group and Institute are placed for varying periods of between 6 to 12 months (2022: 6 to 12 months) depending on the immediate cash requirements of the Group and the Institute, and earn interest of between 1.35% to 3.75% (2022: 0.1% to 0.55%) per annum.

Included in Group's and Institute's bank balances is an amount of S\$1,270,009 (2022: S\$1,276,776) and S\$1,087,089 (2022: S\$1,090,229) respectively which are restricted for use under the Building Fund and Scholarship Fund (Note 12).

Cash and bank balances are denominated in Singapore dollars.

#### 12. OTHER FUNDS

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
<u>Scholarship Fund</u>				
At beginning of the year	60,689	53,958	-	-
(Distribution)/ contribution during the year	<u>(3,627)</u>	<u>6,731</u>	<u>-</u>	<u>-</u>
At end of the year – (A)	<u>57,062</u>	60,689	-	-
<u>Building Fund</u>				
At beginning and end of the year	1,216,087	1,216,087	1,090,229	1,090,229
Distribution during the year	<u>(3,140)</u>	<u>-</u>	<u>(3,140)</u>	<u>-</u>
At end of the year – (B)	<u>1,212,947</u>	<u>1,216,087</u>	<u>1,087,089</u>	<u>1,090,229</u>
Total – (A + B)	<u>1,270,009</u>	<u>1,276,776</u>	<u>1,087,089</u>	<u>1,090,229</u>



## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 12. OTHER FUNDS – cont'd

The Scholarship Fund represents contributions by the teaching staff of the Group, individuals and other organisations.

The Building Fund is for the purpose of major up-keep and maintenance of the Institute's premises.

The funds are represented by the bank balance as disclosed in Note 11.

#### 13. PROVISION FOR REINSTATEMENT COSTS

Provision for dismantlement, removal and restoration costs had been recognised as a consequence of lease arrangement entered for its office and classroom premises. (Note 7)

The movement of provision for reinstatement costs was as follows:

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
At beginning of the year	-	54,450	-	10,950
Provision written back	-	(54,450)	-	(10,950)
	<hr/>	<hr/>	<hr/>	<hr/>
At end of the year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

#### 14. LEASE LIABILITY

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
<u>Amounts payable:</u>				
Within one year	305,635	305,635	-	-
Two to five years	713,149	1,018,784	-	-
Less: Future finance charges	(50,205)	(83,926)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Present value of lease obligations	<u>968,579</u>	<u>1,240,493</u>	<u>-</u>	<u>-</u>
<u>Amounts payable:</u>				
Within one year	280,419	272,142	-	-
Two to five years	688,160	968,351	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>968,579</u>	<u>1,240,493</u>	<u>-</u>	<u>-</u>

The effective borrowing rate is 3% per annum (2022: 3% per annum).

The Group leases premises for its office and classrooms from a third party (Note 7).

During the year, the Group had total cash outflows for leases of S\$305,636 (2022: S\$292,636).

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 15. TRADE AND OTHER PAYABLES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Trade payables:				
- Third parties	120,156	12,023	7,032	6,068
Other payables:				
- Third parties	3,691	-	-	-
- Subsidiaries	-	-	182,214	58,319
Rental and other deposits	28,953	6,321	28,632	6,000
Accruals	41,552	117,957	9,160	55,716
	<u>194,352</u>	<u>136,301</u>	<u>227,038</u>	<u>126,103</u>
GST payable	18,505	13,220	996	3,857
	<u>212,857</u>	<u>149,521</u>	<u>228,034</u>	<u>129,960</u>

Trade payables are non-interest bearing and normally settled on 30 to 90 (2022: 30 to 90) days credit term.

Trade and other payables are denominated in the following currencies:

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Singapore dollars	142,174	149,521	228,034	129,960
Sterling Pound	70,683	-	-	-
	<u>212,857</u>	<u>149,521</u>	<u>228,034</u>	<u>129,960</u>

#### 16. CONTRACT LIABILITIES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Amounts received in advance for:				
- Subscription fees	48,396	33,043	48,396	33,043
- Course fees	130,150	167,448	-	-
- Deferred revenue	611	611	611	611
	<u>179,157</u>	<u>201,102</u>	<u>49,007</u>	<u>33,654</u>

Subscription fees received in advance represent membership subscriptions received for future periods.

Course fees are received in advance from participants for courses scheduled to complete within the next financial year.

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 16. CONTRACT LIABILITIES – cont'd

The following table shows the amount of revenue recognised in the current reporting period relating to prior year brought-forward contract liabilities.

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Subscription fees	25,889	59,829	25,889	59,829
Course fees	167,448	177,503	-	-
	<u>193,337</u>	<u>237,332</u>	<u>25,889</u>	<u>59,829</u>

#### 17. SUBSCRIPTION FEES, ENTRANCE AND UPGRADING FEES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Subscription fees	<u>108,779</u>	<u>122,791</u>	<u>108,779</u>	<u>122,791</u>

Timing of revenue recognition:

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Over time	<u>108,779</u>	<u>122,791</u>	<u>108,779</u>	<u>122,791</u>

#### 18. SCHOOL OF HUMAN CAPITAL MANAGEMENT

<u>Group</u>	<u>Revenue</u>		<u>Direct expenses</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Certificate	155,660	130,862	44,099	46,965
Diploma	111,205	152,500	53,732	55,136
Graduate diploma	251,713	293,911	64,890	74,319
Bachelors degree	573,315	848,310	307,732	421,505
Masters degree	46,599	93,199	30,535	55,560
Short courses	248,988	294,470	81,354	82,062
Miscellaneous income *	<u>44,809</u>	<u>80,530</u>	<u>20,034</u>	<u>29,170</u>
	<u>1,432,289</u>	<u>1,893,782</u>	<u>602,376</u>	<u>764,717</u>

\* Miscellaneous income comprises entrance fees, membership fees, application fees and others.

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

18. SCHOOL OF HUMAN CAPITAL MANAGEMENT – cont'd

Timing of revenue recognition:

<u>Group</u>	<u>2023</u> S\$	<u>2022</u> S\$
Over time	1,138,492	1,518,782
At a point in time	<u>293,797</u>	<u>375,000</u>
	<u>1,432,289</u>	<u>1,893,782</u>

19. CORPORATE LEARNING AND CONSULTANCY HUB

<u>Group</u>	<u>Revenue</u>		<u>Direct expenses</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
HRM consultancy	70,350	241,405	25,367	28,350
Training courses	76,250	106,760	25,728	32,448
Talks, seminars and workshops	<u>278,614</u>	<u>63,952</u>	<u>243,170</u>	<u>34,367</u>
	<u>425,214</u>	<u>412,117</u>	<u>294,265</u>	<u>95,165</u>
 <u>Institute</u>				
Talks, seminars and workshops	<u>278,614</u>	<u>63,952</u>	<u>243,170</u>	<u>34,367</u>

Timing of revenue recognition:

<u>Group</u>	<u>2023</u> S\$	<u>2022</u> S\$
Over time	70,350	241,405
At a point in time	<u>354,864</u>	<u>170,712</u>
	<u>425,214</u>	<u>412,117</u>
 <u>Institute</u>		
At a point in time	<u>278,614</u>	<u>63,952</u>

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 20. OTHER INCOME

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Digital marketing cost re-charged to subsidiaries	-	-	-	24,787
License fee re-charged to subsidiaries	-	-	-	7,327
Payroll and related cost re-charged to subsidiaries	-	-	440,208	453,089
Provision for reinstatement written back (Note 14)	-	54,450	-	10,950
Gain on derecognition due to early termination of lease	-	63,364	-	-
Government grants				
- Jobs Growth Incentive	11,866	29,061	1,597	2,562
- CPF Transition Offset	517	526	288	167
- Enterprise Development Grant	24,257	-	-	-
- Government-Paid Leave Schemes	2,957	11,308	2,363	11,308
- NSmen Payments	1,296	-	-	-
- SkillsFuture Enterprise Credit	306	80	306	80
- Senior Employment Credit	466	2,081	48	90
- Workforce Singapore Agency	3,500	-	-	-
- Wages Credit Scheme	13,856	7,650	6,157	4,795
Interest income from fixed deposits and bank balances	43,241	9,038	25,040	6,994
Rental income from training room facilities	32,278	8,003	-	-
Rental income from investment property (Note 8)	45,000	61,200	45,000	61,200
Recovery of grant	10,000	-	10,000	-
	<u>189,540</u>	<u>246,761</u>	<u>531,007</u>	<u>583,349</u>

#### 21. EMPLOYEE BENEFITS

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Salaries and bonus	959,110	887,039	505,928	512,644
Contribution to defined contribution plans	140,920	130,341	68,708	66,713
Other staff benefits	20,911	3,897	15,259	2,570
	<u>1,120,941</u>	<u>1,021,277</u>	<u>589,895</u>	<u>581,927</u>

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 22. RENTAL EXPENSES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Rental of office and classrooms charged by subsidiary	-	-	61,128	58,528
Storage rental	840	840	840	840
	<u>840</u>	<u>840</u>	<u>61,968</u>	<u>59,368</u>

#### 23. MANAGEMENT AND OTHER SERVICES

	<u>Group and Institute</u>			
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Management service (Note 6)	44,000	22,000	44,000	22,000
Marketing service	16,000	44,000	16,000	44,000
	<u>60,000</u>	<u>66,000</u>	<u>60,000</u>	<u>66,000</u>

#### 24. OTHER OPERATING EXPENSES

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Directors' fees	9,000	9,000	-	-
Advertisements	1,719	2,312	1,719	2,312
Rental commission	18,900	-	18,900	-
Digital marketing	38,964	30,787	196	30,787
Insurance	14,469	16,250	9,930	11,327
IT related expenses	16,641	28,482	14,192	27,112
Legal and professional fees	11,103	17,679	6,563	14,406
License fee	20,254	20,842	5,711	11,709
Printing and stationery	12,688	12,619	802	1,080
Property tax	5,040	5,040	5,040	5,040
Property, plant and equipment				
Written off	-	38,232	-	-
Subscription fees	38,850	38,850	-	-
Repair & maintenance - others	2,599	2,321	919	216
Repair & maintenance				
- Investment property	25,215	19,575	25,215	19,575
Others	60,592	56,669	30,611	26,078
	<u>276,034</u>	<u>298,658</u>	<u>119,798</u>	<u>149,642</u>

## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 25. INCOME TAX EXPENSE

##### a) Current income tax

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Current year's provision	-	5,614	-	-
(Over)/ under provision in prior years	<u>(5,614)</u>	<u>7,294</u>	<u>-</u>	<u>-</u>
	<u>(5,614)</u>	<u>12,908</u>	<u>-</u>	<u>-</u>

##### b) Reconciliation between tax expense/ (benefit) and accounting surplus/(deficit)

The income tax expense/ (benefit) on the results of the financial year varies from the amount of income tax determined by applying the Singapore statutory rate of income tax to surplus/(deficit) before tax due to the following:

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
(Deficit)/ surplus before income tax	<u>(611,889)</u>	<u>9,299</u>	<u>(195,733)</u>	<u>(161,827)</u>
Income tax (benefit)/ expense at statutory rate 17%	<u>(104,021)</u>	1,581	<u>(33,275)</u>	(27,510)
Tax effects of the followings:				
Expenses not deductible	<u>18,295</u>	13,936	<u>6,681</u>	6,905
Deferred tax assets not recognised	<u>85,726</u>	(3,439)	<u>26,594</u>	20,605
Tax exemption	<u>-</u>	<u>(6,464)</u>	<u>-</u>	<u>-</u>
Tax expense for the year	-	5,614	-	-
(Over)/ under provision of prior years	<u>(5,614)</u>	<u>7,294</u>	<u>-</u>	<u>-</u>
	<u>(5,614)</u>	<u>12,908</u>	<u>-</u>	<u>-</u>

At the reporting date, the Group and the Institute have unabsorbed tax losses of **S\$3,434,650** and **S\$2,443,956** (2022: S\$2,930,379 and S\$2,287,521) respectively. These are available to be carried forward to offset against future taxable income, subject to the agreement of the tax authority and compliance with the relevant provisions of the Income Tax Act.

The potential deferred tax asset for the Group and the Institute of **S\$583,890** and **S\$415,473** (2022: S\$498,164 and S\$388,879) respectively have not been recognised in the financial statements as it is not probable that future taxable profits will be sufficient to allow the tax related benefits to be realised in the foreseeable future.

**SINGAPORE HUMAN RESOURCES INSTITUTE  
AND ITS SUBSIDIARIES**

NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

25. INCOME TAX EXPENSE – cont'd

c) Income tax payable

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
At beginning of year	13,333	21,675	-	-
Current income tax expense	-	5,614	-	-
Income tax paid	(7,719)	(21,250)	-	-
(Over)/ under provision in prior years	(5,614)	7,294	-	-
At end of year	-	13,333	-	-

26. OPERATING LEASE COMMITMENTS

As lessor

The Institute leases its investment property to a third party under non-cancellable operating lease. Rental income from lease of its investment property is disclosed in Note 8.

The future minimum lease receivables under non-cancellable operating leases contracted for at the reporting date are as follows:

	<u>Group and Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$
Within one year	90,000	36,000
After one year but within five years	255,000	-
	<u>345,000</u>	<u>-</u>

27. CAPITAL AND OTHER COMMITMENTS

	<u>Group</u>		<u>Institute</u>	
	<u>2023</u> S\$	<u>2022</u> S\$	<u>2023</u> S\$	<u>2022</u> S\$
Capital expenditure	132,400	24,377	-	-
Event cost	23,076	-	23,076	-
	<u>155,476</u>	<u>24,377</u>	<u>23,076</u>	<u>-</u>



## SINGAPORE HUMAN RESOURCES INSTITUTE AND ITS SUBSIDIARIES

### NOTES TO THE FINANCIAL STATEMENTS – CONTINUED

#### 28. RECONCILIATION OF LIABILITY ARISING FROM FINANCING ACTIVITY

The table below details changes in the Group's liability arising from financing activity.

Liability arising from financing activity is those for which cash flows were, or future cash flows will be, classified in the consolidated statement of cash flows as cash flows from financing activities.

Lease liability (Note 14)	<u>2023</u> S\$	<u>Group</u> <u>2022</u> S\$
As at beginning of the year	1,240,493	884,864
<i>Financing cash flows:</i>		
- Principal portion of lease liability	(271,914)	(257,282)
- Interest portion of lease liability	(33,722)	(35,354)
<i>Non-cash transactions:</i>		
- New lease (Note 7)	-	1,417,443
- Derecognition of lease liability (Note 7)	-	(804,532)
- Lease interest	33,722	35,354
As at end of the year	<u>968,579</u>	<u>1,240,493</u>

#### 29. EVENTS AFTER THE REPORTING PERIOD

No items, transactions or events of material and unusual nature have arisen in the interval between the end of the financial period and the date of authorisation for the issue of the financial statements which are likely to affect substantially the results of operations of the Group and the Company for the succeeding financial year.