

# Professional Engineers Board Singapore

**Annual Report**

**For Financial Year**

**2017**



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## ■ PRESIDENT AND MEMBERS OF THE BOARD

### President



**Er. Ho Siong Hin**

### Members of The Board



*From left to right*

**Er. Lee Bee Wah  
Er. Chew Keat Chuan  
Er. Lim Peng Hong**



*From left to right*

**Er. Edwin Khew  
Er. Dr Chiew Sing Ping  
Er. Tong Chi Wai**



*From left to right*

**Er. Neo Tee Boon  
Er. Ling Shiang Yun  
Er. Chan Jacqueline**

## Members of The Board ( Cont'd)



*From left to right*

**Er. Chua Tong Seng  
Er. Yogeeswaran s/o  
Sivasithamparam  
Er. Teo Chor Kok**



*From left to right*

**Er. Ly Paul  
Ar. Wo Mei Lan**

## Registrar



**Er. Chin Jen Chyi**

## ■ MISSION, KEY OBJECTIVES AND FUNCTIONS OF THE BOARD

### **Mission**

To safeguard life, property, and welfare of the public by setting and maintaining high standards for registering professional engineers, and by regulating and advancing the practice of professional engineering.

### **Key Objectives**

- To maintain an internationally acceptable standard of assessment which emphasizes quality academic education, examination, and practical experience that ensures only competent individuals are accepted for registration as professional engineers.
- To maintain a process that ensures professional engineers demonstrate a high standard of professional development, and conduct and ethics that meet the expectations of clients and consumers.
- To develop responsible self-governance of the profession through judicious administration of the Act and Rules on professional conduct and ethics.
- To coordinate and facilitate cross-border mobility of qualified professional engineers.

### **Functions**

- To keep and maintain a register of professional engineers, a register of practitioners and a register of licensees.
- To hold or arrange for the holding of such examinations as the Board considers necessary for the purpose of enabling persons to qualify for registration under the Professional Engineers Act.
- To approve or reject applications for registration under the Professional Engineers Act or to approve any such applications subject to such restrictions as it may think fit to impose.
- To establish and maintain standards of professional conduct and ethics of the engineering profession.
- To promote learning and education in connection with engineering, either alone or in conjunction with any other professional body.
- To hear and determine disputes relating to professional conduct or ethics of professional engineers or to appoint a committee or arbitrator to hear and determine those disputes.
- To license corporations and partnerships which supply professional engineering services in Singapore.
- Generally to do all such acts, matters and things as are necessary to be carried out under the provisions of the Professional Engineers Act.



## ■ REGISTRATION AND LICENSING

### Registration of Professional Engineers

In year 2017, the Board conducted 51 professional interview sessions for 235 applicants while a total of 162 candidates were registered as professional engineers during the year. Table 1 shows the number of new professional engineers registered in the last 5 years.

**Table 1: Number of Newly Registered Professional Engineers By Year**

Branch of Engineering	Number of Professional Engineers Registered				
	2013	2014	2015	2016	2017
Civil	38	45	51	55	57
Electrical	22	24	20	28	21
Mechanical	16	17	15	13	21
Chemical	-	-	-	-	63
<b>TOTAL</b>	<b>76</b>	<b>86</b>	<b>86</b>	<b>96</b>	<b>162</b>

As at 31 Dec 2017, there was a total of 3956 professional engineers on the register of professional engineers and a total of 2417 professional engineers on the annual register of practitioners. Table 2 shows the breakdown of the number of registered professional engineers and practitioners in the 4 main branches of engineering (namely, civil, chemical, electrical and mechanical).

**Table 2: Number of Registered Professional Engineers As At 31 Dec 2017**

Branch of Engineering	Total No of Registered Professional Engineers		Total No of Practitioners (Professional Engineers with Practicing Certificates)	
	Number	Percent	Number	Percent
Civil & Structural	1969	49.8%	1313	54.3%
Electrical	909	23.0%	576	23.8%
Mechanical	913	23.1%	510	21.1%
Chemical	81	2.0%	12	0.5%
Others <sup>1</sup>	84	2.1%	6	0.3%
<b>TOTAL</b>	<b>3956</b>	<b>100%</b>	<b>2417</b>	<b>100%</b>

<sup>1</sup> Others include Aeronautical, Electronic, Industrial, Information Technology, Manufacturing, Marine, Naval Architecture and Production.

## Registration of Specialist Professional Engineers

As at 31 Dec 2017, there was a total of 355 professional engineers on the register of specialist professional engineers and a total of 299 of them had practicing certificates. Table 3 shows the breakdown of the number of registered specialist professional engineers.

**Table 3: Number of Registered Specialist Professional Engineers As At 31 Dec 2017**

Specialised Branch of Engineering	Total No of Registered Specialist Professional Engineers		Total No of Specialist Professional Engineers with Practicing Certificates	
	Number	Percent	Number	Percent
Geotechnical	107	30.8%	101	33.8%
Amusement Ride	18	5.2%	16	5.4%
Lift and escalator	70	20.2%	55	18.4%
Crane	54	14.7%	42	14.0%
Access Platform	60	16.7%	51	17.0%
Pressure Vessel	43	12.4%	34	11.4%
<b>TOTAL</b>	<b>355</b>	<b>100%</b>	<b>299</b>	<b>100%</b>

## Licensing of Corporations and Partnerships

As at 31 Dec 2017, there was a total of 214 licensed corporations, partnerships and limited liability partnerships on the Board's register of licensees. Table 4 shows the breakdown of the licensees.

**Table 4: Number of Licensees As At 31 Dec 2017**

Type of Corporations/Partnerships	Number of licensees
Limited corporations	187
Unlimited corporations	5
Multi-discipline/Limited liability partnerships	22
<b>TOTAL</b>	<b>214</b>

## ■ DISCIPLINARY INQUIRIES

In 2017, Investigation Committees appointed by the Board completed inquiries on 2 complaint cases against 2 professional engineers. Following the inquiries, one of the case was referred to a Disciplinary Committee while a letter of advice was issued to the other professional engineer.

Disciplinary Committees appointed by the Board completed 2 formal inquiries. At completion of the inquiries, one of the professional engineers was fined \$2,000 and the other was suspended for 6 months.



## ■ ACTIVITIES OF THE BOARD

### Board Meetings

The Board held a total of 11 meetings in the year 2017.

### Professional Engineers Registration Examinations

The Examination Committee of the Board, chaired by Board member Er. Dr Chiew Sing Ping, held 3 meetings in 2017 and oversaw the conduct of the Practice of Professional Engineering Examination (PPE) and the Fundamentals of Engineering Examination (FEE). The Practice of Professional Engineering Examination was conducted on 12 May 2017 for civil, electrical and mechanical engineering. The Fundamentals of Engineering Examination was conducted on 4 Oct 2017 for civil engineering, 5 Oct 2017 for electrical engineering and 6 Oct 2017 for mechanical engineering. Summaries of the results of the two examinations are as shown in Tables 5 and 6 below.

**Table 5: Results of PPE 2017**

Branch of Engineering	PPE 2017		
	No of Candidates	No of Passes	Pass Rate
Civil	255	81	31.8%
Electrical	154	40	26.0%
Mechanical	87	19	21.8%
<b>Overall</b>	<b>496</b>	<b>140</b>	<b>28.2%</b>

**Table 6: Results of FEE 2017**

Branch of Engineering	FEE 2017		
	No of Candidates	No of Passes	Pass Rate
Civil	239	145	60.6%
Electrical	162	90	55.6%
Mechanical	152	83	46.7%
<b>Overall</b>	<b>553</b>	<b>306</b>	<b>55.3%</b>

## **Election 2017**

As the term of the current Board would end on 31 Dec 2017, a new Board was to be formed for a 3-year term commencing 1 Jan 2018. As 6 of the members of the new Board were to be elected, all licensed professional engineers were invited in Jul 2017 to submit their nominations for election as Board members. A total of 22 nominations were received and election for the candidates was successfully conducted by e-voting from 22 Aug to 31 Aug 2017. Following that, a circular on the election results was sent to all registered professional engineers on 31 Aug 2017.

## **Amendment of Professional Engineers Act and Rules**

As part of Board's on-going process of conducting regular reviews of its Acts and Rules, a number of proposed amendments to the Professional Engineers Act had been proposed. These amendments were intended to enhance the roles of the Board as a regulator and advocate of the profession, address feedback, needs and development of the industry and provide further clarifications to existing provisions in the Act. In this regard, the Board conducted a public consultation exercise in Jun 2017 to seek feedback from the public, stakeholder organisations and agencies, and professional engineers on the proposed amendments. The consultation exercise was concluded in Jul 2017 and Board took into consideration the feedback in finalising the proposed amendments to the Act. The Professional Engineers (Amendment) Act, which had been passed by Parliament on 11 Sep 2017 and assented to by the President on 3 Oct 2017, was gazetted on 10 Nov 2017.

The Professional Engineers (Amendment) Rules 2017 was gazetted on 13 Jan 2017 and came into effect on 18 Jan 2017. The amendments concerned the introduction of registration of specialist professional engineers in lift and escalator, crane, access platform and pressure vessel engineering, practical experience requirements for applying to sit for examination and registration as professional engineers, and introduction of oral examinations for experienced applicants.

## **ASEAN Mutual Recognition Arrangement On Engineering Services**

The Board had been involved in the implementation of the ASEAN Mutual Recognition Arrangement on Engineering Services. In this regard, the ASEAN Chartered Professional Engineer (ACPE) Monitoring Committee Singapore, which had been authorised by the Board, continued to process applications submitted by professional engineers for registration as ACPEs. For the year 2017, 15 applications for registration as ACPEs were approved. As at 31 Dec 2017 the number of ACPEs from Singapore on the ACPE Register is 267. PEB had also authorised 1 ACPE (from Malaysia) as Registered Foreign Professional Engineer (RFPE).

## **Day of Dedication 2017**

The Board held the Day of Dedication 2017 on 11 November 2017 at the Ritz Carlton Millenia Singapore. At the event, the guest-of-honour, Minister for Social and Family Development and Second Minister for National Development, Mr Desmond Lee, presented registration certificates to 145 new professional engineers. This included 47 professional

engineers from the branch of chemical engineering introduced in January 2017 while the remaining 98 new professional engineers were from the branches of civil, mechanical and electrical engineering.

A total of 97 specialist professional engineers were also registered. Of these, 95 were registered in the four new specialised branches introduced in January 2017, namely, lift and escalator engineering, crane engineering, access platform engineering and pressure vessel engineering. The remaining 2 specialist professional engineers were registered in geotechnical engineering.

In addition, 15 ASEAN Chartered Professional Engineers (ACPEs) were also presented with certificates, and 12 Gold Medal Awards were presented to outstanding graduates of the National University of Singapore and Nanyang Technological University undergraduate and Postgraduate engineering programmes.

In his address, Mr Desmond Lee said that Singapore would continue to need more engineers due to three main reasons. First, there would be growing infrastructure needs as our city continued to grow and develop. Second, there would be further demand for engineering capabilities with the launch of the Construction Industry Transformation Map. Third, the infrastructure needs of Southeast Asia presented huge opportunities for our professional engineers to offer their services, expertise and knowledge to the region.

Mr Lee noted that the work of engineers had a direct impact on public safety and the profession would need to ensure high standards. As such, the Ministry would continually work with PEB and with various industry partners to ensure that policies, legislations and rules were in step with the needs of the public and the profession.

PEB President Er. Ho Siong Hin said that to ensure high standards of professional engineering practice, PEB regularly consulted with agencies, universities and industry associations. Resulting from these, PEB had introduced a number of changes during the year such as introducing registration of professional engineers in chemical engineering and registration of specialist professional engineers in new specialised branches. Going forward, PEB would be putting into effect a number of changes related to recent amendments of the Professional Engineers Act which would make for better regulation and development of the profession.

### **PEB Scholarships and Gold Medals**

In 2017, the Board awarded scholarships of \$6,000 each to 8 engineering undergraduates from National University of Singapore (NUS) and 5 engineering undergraduates from Nanyang Technological University (NTU). The Board also awarded Gold Medals to NUS and NTU graduates in civil, electrical and mechanical engineering, comprising 6 Gold Medals to B.Eng. graduates and 6 Gold Medals to MSc graduates.

### **Dialogue with Board of Engineers Malaysia**

The Board attended the annual dialogue meeting with Board of Engineers Malaysia in Shangri La's Tanjung Aru Resort & Spa, Kota Kinabalu, Sabah from 18 - 19 November 2017. The two Boards updated and discussed with each other issues of mutual interests such as changes and developments in the construction industry, practice and registration issues related to professional engineering, and implementation of the ASEAN Mutual Recognition Arrangement on Engineering Services.

### **Annual Appreciation Dinner**

The Board held an appreciation dinner on 24 Nov 2017 at the Orchard Hotel to thank professional engineers who had rendered voluntary service to PEB. About 100 professional engineers who were members of the various committees of the Board (Investigation Committees, Examination Committee, CPD Committee etc.), members of working committees and the professional interview panels attended the dinner.

# **PROFESSIONAL ENGINEERS BOARD**

(Incorporated in Singapore)

UEN: T08GB0043H

## **FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2017**

### **HMS ASSURANCE**

**Public Accountants and Chartered Accountants**

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The Board's management is pleased to present their statement to the members together with the audited financial statements of Professional Engineers Board (the "Board") for the financial year ended 31 December 2017.

**1. Opinion of the Board's management**

In the opinion of the Board's management,

- a) the financial statements of the Board are drawn up so as to give a true and fair view of the Financial Position of the Board as at 31 December 2017 and the financial performance, Changes in Funds and Cash Flows of the Board for the year ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Board will be able to pay its debts as and when they fall due.

**2. Board's management**

The members of the Board's management in office at the date of this statement are:

Er. Ho Siong Hin (President)  
Er. Dr Chiew Sing Ping  
Er. Chua Tong Seng  
Er. Neo Tee Boon  
Er. Shahrom Bim Mohamed Ariff  
Er. Wong Liang Heng Johnny  
Er. Au Kow Liong  
Er. Chan Ewe Jin  
Er. Chan Jacqueline  
Er. Lau Joo Ming  
Er. Dr Lock Kai Sang  
Er. Tan Shu Min Emily  
Er. Chew Keat Chuan  
Er. Edwin Khew Teck Fook  
Ar. Wo Mei Lan  
Er. Tay Chiou Peng (Registrar)

**3. Arrangements to Enable Board's management to Acquire Shares or Debentures**

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

**4. Board's management's Interest in Shares or debentures**

According to the register of Board's management's shareholdings required to be kept under the provisions of the Professional Engineers Act, Chapter 253 (the "Act"), the members of the Board who held office at the end of the financial year had no interests in the shares or debentures of the Board and its related corporations.

**5. Board's management's Contractual Benefits**

Since the end of the previous financial year, no Board member has received or has become entitled to receive a benefit by reason of a contract made by the Board or a related corporation with the Board's management or with a firm of which the Board Member is a member, or with a Board in which the Board Member has a substantial financial interest, other than those disclosed in the financial statements.

**6. Options**

There were no share options granted during the financial year to subscribe for unissued shares of the Board.

There were no shares issued during the financial year by the virtue of the exercise of options to take up unissued shares of the Board.

There were no unissued shares of the Board under option at the end of the financial year.

**7. INDEPENDENT AUDITORS**

HMS ASSURANCE has expressed their willingness to accept re-appointment as auditors.

On behalf of the Board's management,



Ho Siong Hin  
President



Raymond Tay Chiou Peng  
Registrar

Singapore

15 MAY 2018



# HMS ASSURANCE

## Public Accountants & Chartered Accountants

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### INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PROFESSIONAL ENGINEERS BOARD

UEN: T08GB0043H

#### REPORT ON AUDIT OF THE FINANCIAL STATEMENTS

##### OPINION

We have audited the accompanying financial statements of **PROFESSIONAL ENGINEERS BOARD** ("the Board"), which comprise the Statement of Financial Position of the Board for the year ended **31 December 2017**, the Statement of Comprehensive Income, Statement of Changes in Funds and Statement of Cash Flows of the Board for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Professional Engineers Act, Chapter 253 (the "Act") and Financial Reporting Standards ("FRS") in Singapore so as to give a true and fair view of the Financial Position of the Board as at 31 December 2017, and of the financial performance, Changes in Funds and Cash Flows of the Board for the year ended on that date.

##### BASIS FOR OPINION

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Board 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 Board's management is responsible for the other information. The other information comprises the Board's management's Statement and related information.

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.



# HMS ASSURANCE

## Public Accountants & Chartered Accountants

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### RESPONSIBILITIES OF THE BOARD'S MANAGEMENT FOR THE FINANCIAL STATEMENTS

The Board's management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and 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 Board's management is responsible for assessing the Board'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 Board's management either intends to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

The Board's management's responsibilities include overseeing the Board's financial reporting process.

### AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Board's management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board'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 Board to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

**HMS ASSURANCE**

**HMS ASSURANCE**

**PUBLIC ACCOUNTANTS AND CHARTERED ACCOUNTANTS  
SINGAPORE**

**15 MAY 2018**

# PROFESSIONAL ENGINEERS BOARD

Statement of Financial Position  
as at 31 December 2017

	Notes	2017 S\$	2016 S\$
<b>Assets</b>			
<b>Non-current assets</b>			
Property, Plant and Equipment	6	13,128	10,068
Investments	8	1,960,000	1,960,000
<b>Total Non-Current Assets</b>		<u>1,973,128</u>	<u>1,970,068</u>
<b>Current assets</b>			
Receivables	7	36,173	47,528
Fixed deposits with financial institutions	9	3,300,000	3,200,000
Bank Balances	10	347,954	175,898
<b>Total Current Assets</b>		<u>3,684,127</u>	<u>3,423,426</u>
<b>Total Assets</b>		<u>5,657,255</u>	<u>5,393,494</u>
<b>Funds and Liabilities</b>			
<b>Funds</b>			
Accumulated general fund		<u>4,915,385</u>	<u>4,764,708</u>
<b>Current Liabilities</b>			
Payables	11	<u>741,870</u>	<u>628,786</u>
<b>Total Funds and Liabilities</b>		<u>5,657,255</u>	<u>5,393,494</u>

The annexed notes form an integral part of the Financial Statements.



# PROFESSIONAL ENGINEERS BOARD

Statement of Comprehensive Income  
for the year ended 31 December 2017

	<b>Notes</b>	<b>2017 S\$</b>	<b>2016 S\$</b>
<b>Income</b>			
Renewal fees		498,350	476,750
Registration fees		135,850	41,450
Company licensing fees		104,750	102,792
Examination fees		466,375	462,550
Interest income	<b>12</b>	101,306	106,360
Other income	<b>21</b>	39,870	23,445
		<u>1,346,501</u>	<u>1,213,347</u>
<b>Expenditure</b>			
Staff expenses	<b>13</b>	369,843	311,039
Depreciation		3,032	5,103
Honorarium to Board Members		61,200	61,200
Operating leases		92,510	92,510
International liaison, accreditation and overseas visit		66,106	46,829
Examination expenses		152,944	183,207
Annual and appreciation dinner		12,847	15,814
Scholarships		78,000	66,000
Computer services and software		124,446	82,075
Audit fee		3,660	4,900
Certificate presentation ceremony		54,122	40,122
Other expenses		146,252	139,584
		<u>1,164,962</u>	<u>1,048,383</u>
Surplus for year	<b>14</b>	181,539	164,964
Other Comprehensive Income		-	-
Total Comprehensive Income for the year		<u>181,539</u>	<u>164,964</u>

The annexed notes form an integral part of the Financial Statements.

**PROFESSIONAL ENGINEERS BOARD**Statement of Changes in Funds for the  
year ended 31 December 2017

	<u>S\$</u>
At 1.1.2016	4,627,788
Total Comprehensive Income for the year	164,964
<u>Transactions with Government of Singapore</u>	
Contribution to Singapore Government Consolidated Fund	(28,044)
At 31.12.2016	<u>4,764,708</u>
Total Comprehensive Income for the year	181,539
<u>Transactions with Government of Singapore</u>	
Contribution to Singapore Government Consolidated Fund	(30,862)
At 31.12.2017	<u><u>4,915,385</u></u>

The annexed notes form an integral part of the Financial Statements.

	2017 S\$	2016 S\$
<b>Operating activities</b>		
Surplus for the year	181,539	164,964
<u>Adjustments for:</u>		
Depreciation	3,032	5,103
Interest income	(101,306)	(106,360)
Operating surplus before working capital changes	83,265	63,707
Receivables	11,355	(8,167)
Payables	82,222	(8,035)
<b>Cash flows from operating activities</b>	176,842	47,505
<b>Investing activities</b>		
Acquisitions of property, plant and equipment	(6,092)	-
Interest income received	101,306	106,360
Fixed deposits placed	(100,000)	(500,000)
<b>Cash flows used in investing activities</b>	(4,786)	(393,640)
<b>Financing activities</b>		
Contribution to consolidated Fund	-	-
<b>Cash flows from financing activities</b>	-	-
<b>Net changes in cash and cash equivalents</b>	172,056	(346,135)
<b>Cash and cash equivalents at beginning of year</b>	175,898	522,033
<b>Cash and cash equivalents at end of year</b>	347,954	175,898

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

**1. Corporate Information**

The Professional Engineers Board was established in 1970 under the Professional Engineers Act, Chapter 253.

The financial statements of the Board incorporated in Singapore, for the year ended 31 December 2017 were authorized for issue in accordance with a resolution of the Board on the date of this set of financial statements.

The registered office and principal place of operations of the Board is located at 52 Jurong Gateway road #07-03, Singapore 608550.

The principal activities of the Board are those of administering the Board's membership, Register of Professional Engineers and licensing of professional engineering corporations. There has been no significant change in the nature of this activity during the financial year.

**2. Significant Accounting Policies****(a) Basis of Preparation**

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements of the Board are prepared in accordance with historical cost basis except for certain financial assets and financial liabilities which are measured at fair value.

The preparation of financial statements requires the Board's management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised and in any future periods affected. The accounting policies have been consistently applied by the Board.

**(b) Related Party**

A party is considered to be related to the Board if:

- (a) The party, directly or indirectly through one or more intermediaries,
  - (i) controls, is controlled by, or is under common control with, the Board;
  - (ii) has an interest in the Board that gives it significant influence over the Board; or
  - (iii) has joint control over the Board;
- (b) The party is an associated entity;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Board or its parent;
- (e) The party is a close member of the family of any individual referred to in (a) or (d);
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e).

**2. Significant Accounting Policies - continued****(b) Related Party - continued***Key Management Personnel*

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Board's management members are considered key management personnel.

**(c) Cash and Cash Equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, net of bank overdrafts. Bank overdrafts are presented as current borrowings on the balance sheet.

**(d) Financial Instruments**

Financial assets and financial liabilities are recognized when contracted for.

**(e) Provisions**

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

**(f) Revenue Recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Board and the revenue can be reliably measured. The following specific recognition criteria must also be met before the revenue is recognized.

**Government Grant**

Income from the government grants are recognised upon receipt.

**Registration Fee**

Registration fee income is recognised when the applicant is registered as a member with the entity.

**Renewal and Licensing Fee**

Renewal and licensing fee income is recognised when due.

**Examination Fee and Other Fee**

Examination and other fee income is recognised in the period in which the services are rendered.

**Interest Income**

Interest income is recognised on accrual basis.

**2. Significant Accounting Policies - continued****(g) Employee Benefits***Pension Obligations*

The Board contributes to the Central Provident Fund ("CPF") a defined contribution plan regulated and managed by the Government of Singapore. The Board's contributions to CPF are charged to the Statement of Comprehensive Income in the period to which the contributions relate.

*Employee Leave Entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for unconsumed leave as a result of services rendered by employees up to the Statement of Financial Position date.

**(h) Financial Assets**

Financial assets include hedging instruments, if any, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity investments, loan and receivables and available-for sale financial assets. Financial assets are assigned to the different categories by the Board's management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting date with the exception that the designation of the financial assets at fair value through profit or loss is not revocable.

All financial assets are recognized on their trade date – the date on which the Board commits to purchase or sell the asset. All financial assets that are not classified as fair value through profit or loss are initially recognized at fair value, plus transaction costs.

Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred.

An assessment for impairment is undertaken at least at each Statement of Financial Position date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired. Non-compounding interest and other cash flows resulting from holding financial assets are recognized in profit or loss when received, regardless of how the related carrying amount of the financial assets is measured.

*Loans and Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Board provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for those with maturities greater than 12 months after the Statement of Financial Position date, which are then classified as non-current assets.

Loans and receivables are subsequently measured at amortized cost using the effective interest method, less provision for impairment. Any change in their value is recognized in the Statement of Comprehensive Income. Any reversal shall not result in a carrying amount that exceeds what the amortized cost would have been had any impairment loss not been recognized at the date of the impairment is reversed. Any reversal is recognized in the Statement of Comprehensive Income.

Receivables are provided against when there is objective evidence that the Board will not be able to collect all amounts due to it in accordance with the original terms of the receivables. The amount of provision for impairment is determined as the difference between the asset's carrying amount and the present value of estimated future cash flows.

Loans and receivables include trade and non-trade balances with third parties.



**2. Significant Accounting Policies – continued****(h) Financial Assets - continued**

Trade Receivables that are factored out to banks and other financial institutions with recourse to the board are not derecognised until the recourse period has expired and the risks and rewards of the receivables have been fully transferred. The corresponding cash received from the financial institutions is recorded as borrowings.

**(i) Income Taxes**

The Board is exempted from income tax under section 13(1)(e) of the Income Tax Act Chapter 134.

**(j) Financial Liabilities**

The Board's financial liabilities include trade and other payables.

Financial liabilities are recognized when the Board becomes a party to the contractual agreements of the instrument. All interest related charges is recognized as an expense in "finance costs" in the Statement of Comprehensive Income.

Borrowings are recognized initially at fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortized cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to profit and loss over the period of borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the Statement of Financial Position date are in current borrowings in the Statement of Financial Position even though the original terms were for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the Statement of Financial Position date. Borrowings to be settled within the Board's normal operating cycle are considered as current. Other borrowings due to be settled more than twelve months after the Statement of Financial Position date are included in the non-current borrowings in the Statement of Financial Position.

Equity instruments issued by the Board, if any, are recorded at the proceeds received, net of direct issue costs. Trade and other payables are initially measured at fair value, and subsequently measured at amortized cost, using the effective interest method.

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

**(k) Functional Currency and Foreign Currency Transaction***Functional Currency*

Items included in the financial statements of the Board are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the functional currency"). The financial statements of the Board are presented in Singapore dollars ("SGD"), which is the functional currency.

*Foreign Currency Transaction*

Transactions in foreign currencies are measured in SGD and recorded at exchange rates approximating those ruling at transaction dates. Foreign currency monetary assets and liabilities are measured using the exchange rates ruling at Statement of Financial Position date. Non-monetary assets and liabilities are measured using the exchange rates ruling at the transaction dates. All resultant exchange differences are recognized in the Statement of Comprehensive Income.

**2. Significant Accounting Policies – continued****(l) Impairment of Assets**

The carrying amounts of the Board's assets subject to impairment are reviewed at each Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. All individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Any impairment loss is charged to the profit and loss unless it reverses a previous revaluation in which case it is charged to funds.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decreases. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

A reversal of an impairment loss on a revalued asset is credited directly to funds under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the Statement of Comprehensive Income, a reversal of that impairment loss is recognized as income in the Statement of Comprehensive Income.

**(m) Property, Plant and Equipment**

The cost of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the property, plant and equipment to working condition for its intended use. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from funds of any gains/ losses on qualifying cash flows hedges of foreign currency purchases of property, plant and equipment, if any.

Subsequent expenditure relating to the property, plant and equipment that has already been recognized is added to the carrying amount of the property, plant and equipment when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing property, plant and equipment, will flow to the enterprise. All other subsequent expenditure is recognized as an expense in the year in which it is incurred. When property, plant and equipment are sold or retired, their cost and accumulated depreciation are removed from the financial statements and any gain or loss resulting from their disposal is included in the Statement of Comprehensive Income.

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. Depreciation is calculated on the straight line method so as to write off the cost of the property, plant and equipment over their estimated useful lives. The estimated useful lives are as follows:

**2. Significant Accounting Policies – continued**  
**(m) Property, Plant and Equipment – continued**

	Number of Years
Office furniture	8
Office equipment	5
Computers	3
Photo and printing equipment	8

The residual values, if any, and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each Statement of Financial Position date. The useful lives and depreciation method are reviewed at each financial year-end to ensure that the method and year of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefit embodied in the items of property, plant and equipment. Fully depreciated property, plant and equipment are retained in the financial statements until they are no longer in use.

Land and buildings are revalued by independent professional valuers on a triennial basis and whenever their carrying amounts are likely to differ materially from their revalued amounts. When an asset is revalued, any accumulated depreciation at the date of revaluation is eliminated against the gross carrying amount of the asset. The net amount is then restated to the revalued amount of the asset.

Increases in carrying amounts arising from revaluation, including currency translation differences are recognised in other comprehensive income, unless they offset previous decreases in the carrying amounts of the same asset, in which case, they are recognised in profit or loss. Decreases in carrying amounts that offset previous increases of the same asset are recognised in other comprehensive income. All other decreases in carrying amounts are recognised in profit or loss.

**(n) Investments**

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments, are recognised in other comprehensive income and presented in the fair value reserve in funds. When an investment is derecognised, the gain or loss accumulated in funds is reclassified to profit or loss.

Available-for-sale financial assets comprise equity securities and debt securities.

**(o) Contribution to Consolidated Fund**

The Statutory Corporations (Contribution to Consolidated Fund) Act, Chapter 319A and Ministry of Finance mandates all Statutory Corporations contribute a percentage of its annual surplus income to the Singapore Government Consolidated Fund. Such contributions are accrued for in the year in which the corresponding surplus income arises.

**2. Significant Accounting Policies – continued****(p) Leases**

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating lease.

Assets held under finance leases are recognized as assets of the Board at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the Statement of Financial Position as a finance lease obligation. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Contingent rentals are recognized as expenses in the periods in which they are incurred. Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognized as an expense in the period in which they are incurred.

**3. Critical accounting estimates, assumptions and judgments**

Estimates, assumptions and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

**Critical accounting estimates and assumptions****Impairment of Loans and Receivables**

The Board's management reviews its loans and receivables for objective evidence of impairment annually. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, the Board's management has made judgments as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the Board's management has made judgments as to whether an impairment loss should be recorded as an expense. In determining this, the Board's management has used estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experienced.

**Depreciation of Property, Plant and Equipment**

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Board's management estimates the useful lives of these property, plant and equipment to be within 3 to 8 years. Changes in the expected level of usage and technological developments could impact the useful economic lives and the residual values, if any, of these assets, therefore future depreciation charges could be revised.

**Investments**

The Board holds corporate variable rate notes that are not traded in an active market with a carrying amount of \$1,960,000. The Board has used discounted cash flow analysis for valuing these financial assets and made estimates about expected future cash flows and credit spreads. If the credit spread used in the discounted cash flow analysis had been higher/lower by 1% from the Board's management's estimates, the Board's carrying amount of available-for-sale financial assets would have been higher/lower by \$19,600.

**3. Critical accounting estimates, assumptions and judgments - continued****Impairment of Property, Plant and Equipment**

The Board's management determines whether property, plant and equipment are impaired at least on an annual basis. This requires an estimation of the expected future cash flows from the property, plant and equipment.

**4. New Accounting Standards and Interpretations Not Yet Adopted**

New FRS, amendments to FRS and interpretations that are not yet effective for the financial year beginning on or after 1 January 2017 have not been applied in preparing these financial statements. The Board's management expects that the adoption of the standards will have no material impact on the financial statements in the period of initial application. At the date of authorization of these financial statements, the following FRSs, INT FRSs and amendments to FRS, were issued but not yet effective:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
FRS 115 Revenue from Contracts with Customers	1 Jan 2018
FRS 109 Financial Instruments	1 Jan 2018
INT FRS 122 Foreign Currency Transactions and Advance Consideration	1 Jan 2018
Amendments to: FRS 115 Revenue from Contract with Customers (Clarifications of guidance); FRS 102 Share-based Payment (Classification and measurement of share-based payment transactions); FRS 40 Investment Property (Transfer of investment property); FRS 104 Insurance Contracts (Applying FRS 109 Financial Instruments with FRS 104 Insurance Contracts)	1 Jan 2018
Annual Improvements 2016: FRS 28 Investments in Associates and Joint Ventures (Measuring an associate or joint venture at fair value); FRS 101 First-time Adoption of Financial Reporting Standards (Definition of short-term exemptions for first-time adopters)	1 Jan 2018
FRS 116 Leases	1 Jan 2019
Amendments to FRS 110 Consolidated Financial Statements & FRS 28 Investment in associates and joint ventures (Sale or Contribution of Assets between an Investor and its Associate or Joint Venture)	To be determined

**5. New Accounting Standards and Interpretations Adopted**

The Board has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations, which becomes effective for the financial periods beginning on or after 1 January 2017. Changes to the Board's accounting policies, if any, have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The adoption of these new or amended FRS and INT FRS did not result in substantial changes to the accounting policies of the Board and had no material effect on the amounts reported for the current or prior financial years.

The following are the FRSs, INT FRSs and amendments to FRS:

Amendments to:

- FRS 7 Statement of cash flows (Disclosure initiative)
- FRS 12 Income Taxes (Recognition of deferred tax assets for unrealised losses)

Annual improvements 2016

- FRS 112 Disclosure of Interests in Other Entities (Clarification of the scope of the Standard)

**6. Property, Plant and Equipment**

	Office Furniture	Office Equipment	Computers	Photo & Printing Equipment	Total
Cost	S\$	S\$	S\$	S\$	S\$
<b>At 1.1.2016</b>	2,305	12,756	19,050	9,288	43,399
Additions	-	-	-	-	-
Disposals	-	(3,103)	-	-	(3,103)
<b>At 31.12.2016</b>	2,305	9,653	19,050	9,288	40,296
Additions	-	5,297	795	-	6,092
Disposals	-	-	-	-	-
<b>At 31.12.2017</b>	2,305	14,950	19,845	9,288	46,388
<b>Accumulated depreciation</b>					
<b>At 1.1.2016</b>	2,017	9,128	15,923	1,160	28,228
Charge to income statement	288	1,124	2,529	1,162	5,103
Disposals	-	(3,103)	-	-	(3,103)
<b>At 31.12.2016</b>	2,305	7,149	18,452	2,322	30,228
Charge to income statement	-	1,100	771	1,161	3,032
Disposals	-	-	-	-	-
<b>At 31.12.2017</b>	2,305	8,249	19,223	3,483	33,260
<b>Carrying Amount</b>					
At 31.12.2016	-	2,504	598	6,966	10,068
At 31.12.2017	-	6,701	622	5,805	13,128



**7. Receivables**

	2017 S\$	2016 S\$
Interest income receivable	35,745	47,555
Prepayment	176	473
Other receivable/ advance received	252	(500)
	<u>36,173</u>	<u>47,528</u>

Receivables are denominated in Singapore Dollars. No interest is charged on the receivables.

**8. Investments**

	2017 S\$	2016 S\$
<u>Available-for-sale-investments</u>		
Unquoted debt securities (Singapore)	<u>1,960,000</u>	<u>1,960,000</u>

Debt securities bear fixed rate interest at 2.8% (2016: 2.8%) per annum and mature in year 2021 and 2024.

**9. Fixed deposits with financial institutions**

	2017 S\$	2016 S\$
Maturing within		
- 4 to 12 months from year end	<u>3,300,000</u>	<u>3,200,000</u>

The fixed deposits bear fixed rate interest at 1.2% - 1.5% (2016: 1.5%) per annum and mature on varying dates within 12 (2016: 12) months from year end.

**10. Bank Balances**

	2017 S\$	2016 S\$
Bank Balances comprises:		
Cash at Bank	<u>347,954</u>	<u>175,898</u>

Bank balances are denominated in Singapore Dollars.

Cash and cash equivalents in the Statement of Cash Flows comprise the bank balances as shown in the Statement of Financial Position:

Bank balances	<u>347,954</u>	<u>175,898</u>
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**PROFESSIONAL ENGINEERS BOARD**

Notes to the Financial Statements

Financial Statements for the  
year ended 31 December 2017**11. Payables**

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Accrued operating expenses	76,283	41,567
Accrued contribution to Consolidated Fund	30,862	28,044
Registration fees received in advance	48,000	14,900
Renewal fees received in advance	482,550	456,100
Company licensing fees received in advance	76,375	69,625
Examination fees received in advance	21,100	13,050
Other advance payments received	6,700	5,500
	<u>741,870</u>	<u>628,786</u>

Payables are denominated in Singapore Dollars.

**12. Interest Income**

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Interest income from:		
Bank balances	445	473
Fixed deposits	44,411	74,487
Debt securities	56,450	31,400
	<u>101,306</u>	<u>106,360</u>

**13. Staff expenses**

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Salaries and bonuses	301,431	266,497
Central Provident Fund contributions in respect of staff salaries and bonuses	68,412	44,542
	<u>369,843</u>	<u>311,039</u>

**14. Surplus for year**

Surplus for the year is arrived at after charging:

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Professional fees (included in Other Expenses)	<u>12,826</u>	<u>19,722</u>

**15. Contribution to Singapore Government Consolidated Fund**

The Statutory Corporations (Contributions to Consolidated Fund) Act, Chapter 319A requires that the Board contribute part of its annual excess of income over expenditure to a Consolidated Fund ("Fund"). This Fund belongs to Singapore and is administered by the Government in accordance with the Constitution of The Republic of Singapore.

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Contribution to Consolidated Fund at 17% (2016: 17%) of net surplus income for the financial year	<u>30,862</u>	<u>28,044</u>

**16. Operating lease commitments**

At the year end, the Board was committed to making the following payments in respect of non-cancellable operating leases with a term of more than one year:

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Within 1 year	92,510	92,510
Within 2 to 5 years	<u>84,801</u>	<u>177,311</u>

The operating leases are not subject to escalation clauses.

**17. Financial Risk Management**

The main risks arising from the Board's financial instruments are summarised as follows:

**Liquidity risk**

Liquidity risk arises in the general funding of the Board's operations. It includes the risks of not being able to fund the operations at settlement dates and liquidate assets in a timely manner at a reasonable price. The Board manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its operations through the use of funds from the stakeholders.

The table below analyses the maturity profile of the Board's financial liabilities based on contractual undiscounted cash flows.

	<b>On Demand or Within 1 year S\$</b>
<b><u>2017</u></b>	
Payables	<u>741,870</u>
<b><u>2016</u></b>	
Payables	<u>628,786</u>

**Credit risk**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in a loss to the Board. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the Statement of Financial Position.

There are no receivables overdue but not impaired. As at year end, the Board has no significant concentration of credit risk.

**Interest rate risk**

Cash flow interest rate risk is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Board is exposed to interest rate risk through the impact of rate changes on interest bearing liabilities and assets. The Board does not use natural hedges or derivative financial instruments such as interest rate swaps, caps and options.

The Board is exposed to interest rate risk through its debt securities investment, fixed deposits and bank balances. If the Singapore Dollar interest rates had increased/decreased by 1% (2016: 1%) with all other variables being held constant, the profit and funds would have been lower/higher by approximately \$56,000 (2016: \$53,000) as a result of higher/lower interest expense on these borrowings.

**Market risk**

The Board is exposed to equity price risk arising from investments classified as available-for-sale. Available-for-sale investments are held for strategic rather than trading purposes. The Board does not actively trade available-for-sale investments.

The sensitivity analysis below has been determined based on exposure to equity price risk at the end of the reporting period. If price for investments increase/ decrease by 10% (2016: 10%) with all other variables held constant, the Board's profit and funds would have been higher/ lower by approximately \$19,600 (2016: \$19,600).

**17. Financial Risk Management- continued*****Foreign currency risk***

The Board has no significant exposure to foreign currency risk as transactions are carried out in Singapore dollars.

**18. Financial Instruments****(a) Fair Values**

The carrying amount of the financial assets and financial liabilities approximate their fair values. The Board does not anticipate that the carrying amounts recorded at Statement of Financial Position date would be significantly different from the values that would eventually be received or settled.

**(b) Classification of Financial Instruments**

The following tables set out the classification of financial instruments at the end of the reporting periods:

	Loans and receivables S\$	Liabilities at amortized cost S\$	Non- financial assets S\$	Available- for-sale investments S\$	Total S\$
<b>2017</b>					
<b>Assets</b>					
Property, Plant and Equipment	-	-	13,128	-	13,128
Investments	-	-	-	1,960,000	1,960,000
Fixed deposits with financial institutions	3,300,000	-	-	-	3,300,000
Receivables	35,997	-	176	-	36,173
Bank Balances	347,954	-	-	-	347,954
<b>Liabilities</b>					
Payables	-	741,870	-	-	741,870
<b>2016</b>					
<b>Assets</b>					
Property, Plant and Equipment	-	-	10,068	-	10,068
Investments	-	-	-	1,960,000	1,960,000
Fixed deposits with financial institutions	3,200,000	-	-	-	3,200,000
Receivables	47,055	-	473	-	47,528
Bank Balances	175,898	-	-	-	175,898
<b>Liabilities</b>					
Payables	-	628,786	-	-	628,786

**19. Related Party Transactions**

Compensation of Board's management members representing key management personnel was as follows:

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Board's management member's remuneration, honorarium and other short term benefits	<u>61,200</u>	<u>61,200</u>

**20. Capital Risk Management**

The Board's objectives when managing capital are to safeguard the Board's ability to continue as a going concern and to maintain an optimal capital structure so as to maximize stakeholder value. In order to maintain or achieve an optimal capital structure, the Board may obtain new borrowings or sell assets to reduce borrowings.

The Board is not subject to externally imposed capital requirements. The Board's management monitors capital based on a gearing ratio. There has been no change in the objectives, policies and processes since last year.

The gearing ratio is calculated as debt divided by total capital. Debt comprises of payables. Total capital is calculated as total funds plus debt.

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Debt	741,870	628,786
Total Funds	<u>4,915,385</u>	<u>4,764,708</u>
Total Capital	<u>5,657,255</u>	<u>5,393,494</u>
Gearing Ratio	<u>13.1%</u>	<u>11.7 %</u>

**21. Other Income**

	<b>2017</b> <b>S\$</b>	<b>2016</b> <b>S\$</b>
Others	1,530	1,725
Penalty on late renewal	10,250	11,600
Change of address	2,830	2,550
Day of Dedication fees received	6,710	7,570
Fines Received	<u>18,550</u>	<u>-</u>
	<u>39,870</u>	<u>23,445</u>