

# SID

Singapore Institute of Directors

## annual report 2013

Annual General Meeting  
20 November 2013



Excellence in  
Corporate Governance

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# Mission

To foster good governance and ethics in corporate leadership.

# Vision

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

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## Corporate Information

<b>Registration</b>	Singapore Institute of Directors (SID), a public company limited by guarantee, is incorporated under the Companies Act, Cap. 50 (Registration No. 199803504W).
<b>Legal Counsel</b>	Wee Swee Teow & Co Advocates & Solicitors
<b>Auditors</b>	KPMG LLP
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## A Year of Renewal and Transitions

Dear Members

In many respects, the last year has been one of transitions, even as the Institute continued with many of the activities familiar to members.

In May 2012, the SID Governing Council led by the then Chairman John Lim held a planning retreat. The six strategic thrusts arising from the retreat have been the basis of several new initiatives and actions by the Council during the last year.

We have therefore used these six thrusts to frame this report to members.

### 1. Renew Leadership

A Nominating and Governance Committee was established soon after the planning retreat. Changes to SID's Constitution on the Council's composition and Council Members' term limits were subsequently adopted.

Several long-serving Council Members stepped down at the 2012 AGM to facilitate leadership renewal. Seven new Council Members were elected or co-opted to join and form the 20-member 2013 Council. At the coming 2013 AGM, eight Council Members will be stepping down, of which only four are seeking re-election.

To increase and improve the pool of candidates for the Council and Committees, we initiated an enhanced nomination process where interested members were invited to meet with existing Council members to discuss expectations and their interests. Thirty five members had done so. Several have agreed to join our Committees and a few may be standing for elections or be co-opted into the Council.

To walk the talk on leadership renewal, John Lim stepped down as Chairman at the end of June 2013 and passed the baton to Willie Cheng. We owe much to John who had been with the Council since 1998.

An SID Code of Governance that draws from governance standards and best practices for both commercial as well as non-profit organisations has been recently developed. (A copy of the SID Code of Governance is provided from page 30 onwards.)

### 2. Enhance Professional Development

Professional development continues to be a key anchor of SID. During the year, a total of 53 training seminars were conducted for more than 1,500 participants.

A review of the current courseware is currently being undertaken with the objective of developing a more comprehensive and integrated set of professional development offerings for the full spectrum of directors' needs.

A Continuing Professional Development programme has been drawn up to help members develop and maintain the skills and competencies to enable them to perform their directorial responsibilities effectively. This programme will be introduced in January 2014.

### 3. Strengthen Membership Outreach and Engagement

The Membership Committee reviewed and sharpened the recruitment and onboarding process and articulation of benefits for individual as well as corporate members. A more structured and concerted effort was recently started to reach out to more companies for the Corporate Membership programme which was launched in 2010.

Arrangements have been made with JC Howe International, a search firm to provide an affordable Board Appointment Service for companies. This service will initially be targeted at Corporate Members and the search will focus on SID's database of individual members.

Much of SID's activities, including professional development, publications, socials, and networking sessions, are focussed for the benefit of our members. A key highlight was the annual Golf Tournament held at Sentosa Golf Club in June 2013.

### 4. Develop Thought Leadership

SID's official bi-monthly publication, *The Directors' Bulletin*, provides both updates on SID events and articles on matters related to directorship and corporate governance. A review of *The Directors' Bulletin* is being undertaken with a view to improving its content, appeal and relevance to members in the new calendar year.

The SID Board of Directors' Survey was recently launched in conjunction with Aon Hewitt, Egon Zehnder, and PWC. The results of the survey are

# CHAIRMAN'S & EXECUTIVE DIRECTOR'S REPORT

expected to be ready at the end of this year. SID had also conducted or supported surveys related to the revised Code of Corporate Governance, gender diversity and anti-corruption.

SID's flagship Directors' Conference held in September 2013 was well received by the 500 plus corporate leaders who attended. This year's refreshing focus on "Value Creation" will be taken further next year when the conference theme will be on the implications of "The New Capitalism" for Boards and corporations.

The Institute also conducted and participated in a number of feedback sessions on various aspects of the corporate governance landscape. SID has been responding to and engaging with media on relevant corporate issues. We are currently looking at how we can more proactively research and communicate to members and to other stakeholders SID's positions and guidelines.

## 5. Improve Branding

Two new committees, Corporate Governance Benchmarks and Public Relations were formed during the year to focus on the important areas of comparative indices, and branding and communications.

SID, together with the Centre for Governance, Institutions and Organisations, NUS Business School was appointed as the Domestic Ranking Body for an ASEAN-wide Corporate Governance scorecard, an initiative of the Asian Development Bank. This appointment recognises SID's leading role in championing corporate governance in Singapore.

The Singapore Corporate Awards was held in August 2013. As in past years, SID organised and gave out the Best Managed Board Award and Best CEO Award.

## 6. Strengthen the Secretariat

With the uncertainty of continued tenancy at Shenton House, the Council decided to move to Capital Tower. The new premises on an easy-to-access floor with training facilities will also better enable our conduct of professional development courses.

The office move facilitated the review and improvement of the office and IT infrastructure. A Finance Manual and a Human Resource Manual are currently being developed.

The executive team has seen some renewal. Penelope Phoon joined as Executive Director in April 2013 and a new position of Head of Professional Development and Research has been created.

Overall, the year under review has been an active one, with new programmes and initiatives while continuing with most of the existing programmes.

The Institute enjoyed a healthy pre-tax surplus of \$485,091, due largely to increased sponsorships and training fees, and also the closure and receipt of an outstanding sum of nearly \$200,000 from a prior MAS grant.

As we move into a new year, we would like to express our thanks to John Lim and SID's past leaders who laid the foundation of SID so that we can build on their good work. We are also grateful to the many partners, staff and Council members who have contributed in so many ways to helping SID deliver on our mission.

Warm Regards

Willie Cheng  
Chairman

Penelope Phoon  
Executive Director



# 2013 HIGHLIGHTS

## Leadership Renewal



Seven new members joined the SID Council at the 2012 AGM. Mr John Lim passed the Chairman's baton to Mr Willie Cheng on 1 July 2013.

## New Premises



SID moved from Shenton House to Capital Tower which provides convenient access to training facilities.

## Professional Development (Page 8-10)



SID Vice-Chairman Mrs Yvonne Goh spoke on SGX Regulations at Module 1 of the Listed Company Directors program, one of SID's core professional development offerings.

## Annual Directors' Conference (Page 11)



SID's flagship event attracted 500 delegates who heard expert speakers and panellists discuss Value Creation amongst different stakeholder groups.

## CG Benchmarks & Awards (Page 14-15)



Ms Yeo Lian Sim, Chief Regulatory & Risk Officer of SGX and SID Council Member delivering the welcome address at the Singapore Corporate Awards held on 7 August 2013.

## Socials (Page 16-17)



Mr Seah Kian Peng (NTUC Fairprice), Mr Tong Chong Heong (Keppel Corporation), Minister Lawrence Wong and Mr John Lim before teeing off at the SID Annual Golf Tournament on 9 June 2013.

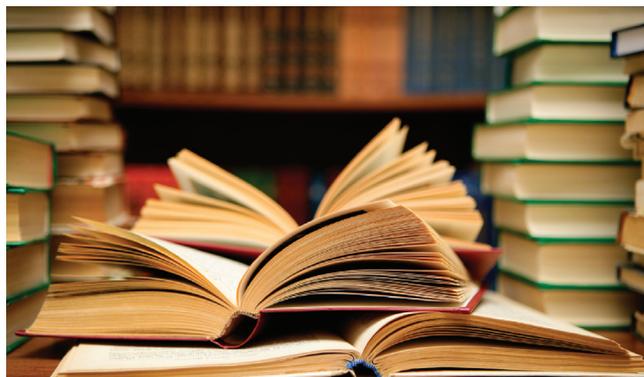
# 2013 HIGHLIGHTS

## Advocacy & Publications (Page 12-13)



The Publications Committee published six *The Directors' Bulletin* and a *Value Creation* booklet for the SID Directors' Conference last year.

## SID Code of Governance (Page 30-37)

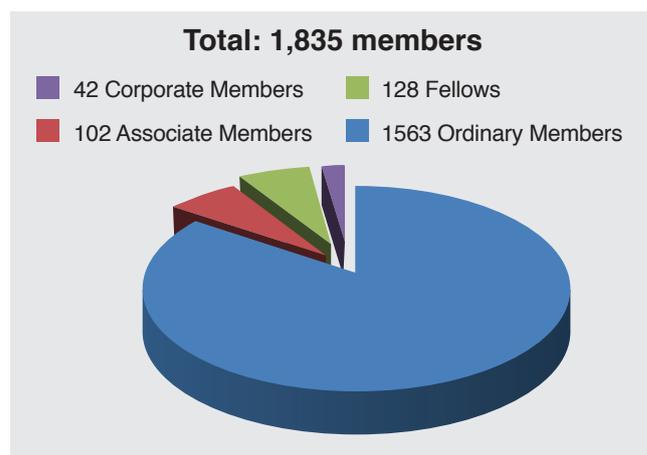


The Council has developed and adopted an SID Code of Governance that combines elements of the revised Code of Governance and the Charity Code of Governance.

## Organisation Information (Page 22-27)

Governing Council :	16 elected 4 co-opted
Committees :	17 Committees 28 Committee Members (in addition to Council Members)
Secretariat :	7

## Membership (Page 21)



Financials (Page 40-64)	FY 2013 (S\$)	FY 2012 (S\$)
Membership Fees	373,668	337,765
Seminar and Course Fees	812,059	770,587
Event Income and Sponsorships	386,196	400,549
Other Income	211,839	12,940
<b>Total Income</b>	<b>1,783,762</b>	<b>1,521,841</b>
Seminar and Event Costs	412,933	270,860
Staff Costs	587,351	544,560
Depreciation	29,579	37,078
Other Operating Expenses	268,808	349,223
<b>Total Expenses</b>	<b>1,298,671</b>	<b>1,201,721</b>
Income Tax	18,918	30,902
<b>Surplus/(Deficit) for Year</b>	<b>466,173</b>	<b>289,218</b>
Reserves	1,971,051	1,504,878
No. of Years	1.5	1.2



Senior Minister of State Josephine Teo addressing delegates at the SID Directors' Conference held on 11 September 2013.



## Programmes & Activities

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- Professional Development
- Annual Directors' Conference
- Advocacy & Publications
- CG Benchmarks & Awards
- Socials

# PROFESSIONAL DEVELOPMENT

Professional development for directors continues to be a mainstay of SID's offerings.

During the year, the Institute conducted a total of 53 training and professional development seminars.

SID's three foundational courses drew over 1,200 participants:

- Effective Board Leadership Programme
- Listed Company Director Programme
- SID-SMU Executive Certificate in Directorship

Descriptions and conducts of these three courses are provided on the facing page.

In addition, the Institute collaborated with several partner organisations to organise breakfast talks, luncheon presentations, half day forums and seminars on subjects of topical interest to Boards and directors. These special sessions engaged over 330 participants during the year. A chronological list of these sessions is provided on page 10.

SID also provided support to related course offerings by other organisations. We continue to partner the SGX in taking the Listed Company Director Essentials programme to China, and more recently, to Myanmar. We also provided resources and content for three conducts of ACRA's Director Proficiency Programme.

The Professional Development Committee has set up a task force to review the current suite of courseware with a view to developing a more comprehensive and integrated set of offerings to cater to the full spectrum of directors' needs.

The Membership Committee has developed a Continuing Professional Development (CPD) programme to help Ordinary Members and Fellows develop and maintain the skills and competencies to enable them to perform their directorial responsibilities effectively. Elements of this programme include a minimum of 60 CPD hours every three years, of which 24 hours are verifiable. The CPD policy will be effective from 1 January 2014.



Mr Donald Espersen explained the Control Self Assessment technique at the "Improving Board Oversight through Leading Practices" session.



With the pending regulatory changes, members turned up to learn about "Decoding the Revised Code of Corporate Governance".



A panel, chaired by SID Vice-Chairman Mr Adrian Chan (centre), provided their perspectives on the Olam saga and discussed how a company can respond under siege during the "Wading through Muddy Waters" breakfast forum.



China-based directors attended the LCD Essentials Programme conducted in Mandarin, held recently in Beijing.

# PROFESSIONAL DEVELOPMENT

## SCHEDULE OF SID'S FOUNDATIONAL COURSES FOR DIRECTORS

(1 October 2012 to 30 September 2013)

<p><b>Effective Board Leadership Programme</b> EBL focuses on developing the effectiveness of the director individually and the board collectively.</p>	
Module 1: The Effective Board	19 Apr 2013
Module 2: The Board & Fund Raising	17 May 2013
Module 3: Enterprise Risk Management	4 Oct 2012, 30 May 2013
Module 4: Financial Literacy & Governance	16 Oct 2012, 21 Jun 2013
Module 5: Investor & Media Relations	18 Oct 2012, 24 Jul 2013
<p><b>Listed Company Director Programme</b> LCD is the first programme of its kind to focus on the comprehensive training of company directors, particularly independent directors, on compliance, regulatory and corporate governance of listed companies.</p>	
Module 1: What Every Director Ought to Know	11 Oct 2012, 16 Jan 2013, 6 Mar 2013, 28 May 2013, 9 Jul 2013
Module 2: Audit Committee Essentials	23 Oct 2012, 20 Mar 2013, 10 Jul 2013, 17 Sep 2013
Module 3: Risk Management Essentials	30 Oct 2012, 26 Mar 2013, 10 Jul 2013, 18 Sep 2013
Module 4: Nominating Committee Essentials	29 Nov 2012, 3 Apr 2013, 11 Jul 2013
Module 5: Remuneration Committee Essentials	29 Nov 2012, 16 Apr 2013, 11 Jul 2013
<p><b>Listed Company Director Essentials Programme (Mandarin)</b> The Mandarin LCD Essentials programme is designed for China-based senior management and Board directors of existing as well as targeted SGX-listed companies to enhance their appreciation and understanding of Singapore's corporate regulatory environment.</p>	
Xiamen, China	22 – 23 Nov 2012
Beijing, China	27 – 28 Jun 2013
<p><b>SID-SMU Executive Certificate in Directorship</b> This is the first such programme in Singapore to offer formal certification on directors' training. Its aim is to equip directors with a broad range of knowledge to enable them to contribute meaningfully to boardroom deliberations.</p>	
Module 1: The Role of Directors – Duties, Responsibilities & Legal Obligations	5 – 7 Jun 2013
Module 2: Assessing Strategic Performance – The Board Level View	15 – 17 Oct 2012, 15 – 17 Jul 2013
Module 3: Finance for Directors	20 – 22 Nov 2012, 20 – 22 May 2013
Module 4: Risk & Crisis Management	20 – 21 Aug 2013
Module 5: Strategic Corporate Social Responsibility & Investor Relations	23 – 24 Jul 2013
Module 6: Effective Succession Planning & Compensation Decisions	18 – 19 Jun 2013

# PROFESSIONAL DEVELOPMENT

## SCHEDULE OF OTHER PROFESSIONAL DEVELOPMENT SEMINARS

(1 October 2012 to 30 September 2013)

Date	Professional Development Session
10 Oct 2012	SID – Egon Zehnder: Chairing the Nominations Committee
1 Nov 2012	SID – INSEAD: Board Essentials – Understanding Value Creation & Corporate Governance the “Private Equity Way”
28 Nov 2012	SID – Decision Processes International: Is Your Strategy Ready for Deployment?
30 Nov 2012	SID – Freshwater Advisers: Assessing Board Effectiveness with Focus on Risk
10 Jan 2013	SID – Decision Processes International: Strategic Oversight Roundtable Breakfast Discussion
23 Jan 2013	SID – RHTLaw Taylor Wessing: Annual Regulatory & Corporate Governance Update for Listed Company Directors
24 Jan 2013	SID – Decision Processes International: Strategic Oversight Roundtable Breakfast Discussion
8 Mar 2013	SID – Hay Group Singapore: Decoding the Revised Code of Corporate Governance – Remuneration Matters
21 Mar 2013	SID – EY: Lunch Talk on Debt Financing and Restructuring
8 Apr 2013	Wading through Muddy Waters: A Breakfast Panel on a Company Under Siege
12 Apr 2013	SID – Hong Bao Media: How to Handle Difficult Questions at AGMs?
2 May 2013	SID – RHTLaw Taylor Wessing: All You Need to Know about the Personal Data Protection Act
5 June 2013	SID – IIAS: Improving Board Oversight through Leading Practices
18 Jul 2013	SID – RHTLaw Taylor Wessing: Lunch Presentation on Defamation, Privacy and Reputation Management
27 Sep 2013	SID – RHTLaw Taylor Wessing: How Should Board Directors Respond to Shareholder Activism
30 Sep 2013	SID – PwC: What Directors Need to Know about Securing Electronic Records for Evidence Act



Members participating in a roundtable discussion on “Strategic Oversight” with Mr David Wilkins and Mr Henrik Glarbo of Decision Processes International.



SID member Ms Saw Phaik Hwa asking a difficult question at Hong Bao Media’s talk on “How to Handle Difficult Questions at AGMs”.

# ANNUAL DIRECTORS' CONFERENCE

More than 500 directors and corporate leaders attended SID's flagship event, the annual Directors' Conference held on 11 September 2013 at the Marina Bay Sands Singapore.

The conference theme, "From Form to Value Creation", featured more than 15 international and local speakers. The conference sought to move directors from the traditional thinking of corporate governance as rules and regulations to be complied with and to be checked off, to one of helping companies to create value.

Mrs Josephine Teo, Senior Minister of State for Finance and Transport, reflected on the meaning of value creation and urged directors to "fully appreciate the role of business in society" as part of their approach to value creation.

In her keynote address, Ambassador Linda Tsao Yang, Chairperson of the Asian Corporate Governance Association, Hong Kong expounded on why and how long term value creation relates to corporate governance. Her spontaneous and lively delivery with examples drawn from her wide experience drew much acclaim from the audience.

Three thought-provoking panels focusing on the key players of the value creation chain - directors, CEOs, and shareholders - engaged the participants in lively discussions.

The first panel examined the evolution and drivers of corporate governance and how directors should respond to the changing corporate governance landscape on value creation. This was moderated by Mr Frank Lavin (Export Now) with panellists, Mr Piyush Gupta (DBS Group), Ambassador Linda Tsao Yang, Mr Dan Konigsburg (Deloitte Centre for Corporate Governance) and Mr Lim How Teck (Certis Cisco).

The second panel took a special look at CEOs and their compensation packages. Questions related to pay-for-performance and the equity of CEO pay relative to workers and other stakeholders were hotly debated. Mr Gautam Banerjee (Blackstone) moderated the discussion with Ms Wong Su-Yen (Mercer), Mr Venky Krishnakumar (Oracle Financial Services Software), Mr Liew Mun Leong (Changi Airport Group) and Mr Colin Low (SIDC) as panellists.

The third panel focused on the different kinds of shareholders and their contribution at AGMs and to value creation. SID Council Member Mrs Elaine Lim (Citigate Dewe Rogerson i.MAGE) moderated the panel discussion with Mr Hugh Young (Aberdeen Asset Management Asia), Mr Vincent Chen (Shareholder activist), Mr Richard Eu (Eu Yan Sang), and Mr Ron Sim (OSIM International) as panellists.

Participants were told at the end of the event that the 2014 SID Directors' Conference will follow up on this year's theme to look at what "the New Capitalism" means for Boards and directors.



Panel 1 on Value Creation (L to R): Mr Frank Lavin, Ambassador Linda Tsao Yang, Mr Dan Konigsburg, Mr Lim How Teck, and Mr Piyush Gupta

## ADVOCACY & PUBLICATIONS

As the advocate for corporate directors in Singapore, the SID stays abreast of relevant issues, conducts research and communicates its position and views as well as provides guidance to directors.

A number of surveys on corporate governance and Board matters had been undertaken:

- A directors' survey on Board Performance & Remuneration Matters in line with the revised Code of Corporate Governance was conducted with Aon Hewitt last year
- A poll of SID members' reactions to revisions to the new Code of Corporate Governance was held in the second half of 2012
- A survey conducted in conjunction with Kroll on its Global Anti-Corruption Legislation.

SID is currently supporting and participating in two on-going surveys:

- A survey by the Ministry of Social & Family Development and the Singapore National Employment Federation on Gender Diversity on Boards and Senior Management
- The latest Board of Directors' Survey, the most comprehensive survey of listed company directors in Singapore, recently launched by SID in collaboration with Aon Hewitt, Egon Zehnder, PwC and the SGX. The results are expected to be published around the end of 2013.

With the increasing pace of legislative and regulatory reforms in the last year, the Institute organised feedback sessions for its members. The SID Council and members were asked to participate in similar sessions organised by regulators such as the Accounting and Corporate Regulatory Authority, the Singapore Accountancy Commission, and professional bodies such as the Association of Chartered Certified Accountants and the Institute of Singapore Chartered Accountants.

SID also provided feedback and interacted with the authorities, regulators and other professional bodies as follows:

- Clarification with The Singapore Exchange on the scope of Listing Rule 1207(10) on the adequacy of internal controls
- Response on the Monetary Authority of Singapore Consultation Paper on the Securities & Futures Act and the Financial Advisers Act
- Feedback to Accounting and Corporate Regulatory Authority and the Ministry of Finance on the draft Companies Act (Amendment) Bill 2013
- Feedback to the CFA Institute on its research paper on shareholders' waiver of their preemption rights.

In line with our advocacy role, the Institute engaged with the media during the year on various diverse topics such as remuneration of executive directors, director training and mandatory internal auditors.

# ADVOCACY & PUBLICATIONS

*The Directors' Bulletin* is SID's key print vehicle for communicating with members and stakeholders. The feature articles in the Bulletin also serve as a source of reference for both directors and management.

During the period under review, the Institute published six issues of *The Directors' Bulletin*. Each issue published articles related to business development and corporate governance as well as provided updates on the latest SID activities for our members.

The major themes and subjects covered included:

- Governance in the new normal
- New corporate governance guidelines
- Shareholder engagement
- The Singapore Fiscal Budget
- Investing in emerging markets such as Cambodia, Myanmar and Vietnam
- Manpower & labour issues

In addition to *The Directors' Bulletin*, SID also published a booklet with articles contributed by speakers and partners on matters related to "Value Creation", the theme for the 2013 SID Directors' Conference.

In August 2013, the Institute updated its *Statement of Good Practice on Fees Payable to Non-Executive Directors*. The paper was produced with market data and help from Freshwater Advisers.

In addition to being a portal for members, SID's website ([www.sid.org.sg](http://www.sid.org.sg)) provides online information on its many offerings.

A review of *The Directors' Bulletin* and the SID website are currently being undertaken by the Publications & Website Committee and the Public Relations Committee. Feedback on these two communication vehicles are also being sought from SID members through an online survey. Changes in the format and content of the SID Bulletin and the SID website are planned to be implemented in 2014.



SID's *Statements of Good Practice* are developed to provide guidelines on certain fundamental issues of board performance, accountability and corporate responsibility, in a succinct and practical way.

## CG BENCHMARKS & AWARDS

SID, in collaboration with the Centre for Governance, Institutions and Organisations, NUS Business School (CGIO), has been appointed by the Monetary Authority of Singapore as Singapore's Domestic Ranking Body for the ASEAN Corporate Governance Initiative, which is conducted under the auspices of the Asian Development Bank.

The project calls for SID and CGIO to score and rank the top 100 SGX-listed companies (by market capitalisation) on their corporate governance policies and practices. The ranking is based on a set of criteria developed by an expert panel comprising representatives of the six ASEAN countries. Singapore's CG expert representative is SID's Immediate Past Chairman Mr John Lim.

In the coming year, the results will be shared with Singapore's top listed companies with guidance on how they can improve their corporate governance practices.

The Singapore Corporate Awards gala dinner was held on 7 August 2013. The event was organised by the Business Times in conjunction with The Singapore Exchange and supported by a number of professional organisations and Citigate Dewe Rogerson i.MAGE. SID curated and gave out two key sets of awards:

- Best Managed Board Award (BMBA). First launched in 2003 with partner organization Aon Hewitt, the award recognises the pivotal role of the Board and encourages enhanced corporate governance practices. The award process was extensive and includes the analysis of long term corporate performance, detailed assessment of corporate governance practices and interviews with Boards of shortlisted companies.
- Best CEO Award. The award recognises CEOs who are passionate advocates of "best-in-class" corporate governance practices at both the Board and management levels. The judging process which was supported by partner organisation Egon Zehnder included sieving through the universe of SGX-listed companies for nominations and the assessment of outcomes as well as qualitative and behavioural traits of shortlisted candidates.

The winners of the 2013 awards are shown in the box on the next page. The judges and members of the Working Committee are provided on page 26.



Singapore Corporate Awards 2013 saw business leaders from the professions and corporations watch the top in corporate governance receive their awards. In foreground (L to R): Ms Rachel Eng (Wong Partnership), Mr Max Loh (EY) and Ms Ng Hsueh Ling (Keppel REIT)

# CG BENCHMARKS & AWARDS

## BEST MANAGED BOARD AWARD (BMBA) 2013 WINNERS

Big Cap (Market Cap of >\$1B)	
Gold	- Singapore Telecommunications
Silver	- Sembcorp Industries - Singapore Exchange
Bronze	- Keppel Corporation
Mid Cap (Market Cap of \$300M to < \$1B)	
Bronze	- Tuan Sing Holdings
Small Cap (Market Cap of < \$300M)	
Gold	- Mencast Holdings
Silver	- OKP Holdings
Bronze	- Qian Hu Corporation

## BEST CEO AWARD 2013 WINNERS

Big Cap (Market Cap of >\$1B)	
Mr Piyush Gupta	CEO DBS Group Holdings
Mid Cap (Market Cap of \$300M to <\$1B)	
Mr Lim Hock Chee	CEO Sheng Siong Group
Small Cap (Market Cap of < \$300M)	
Mr Mohamed Salleh Marican	Founder and CEO Second Chance



Mr Simon Israel, Chairman of Singapore Telecommunications with directors and staff after receiving the BMBA Big Cap Gold Award.



Mr Ng Chee Keong, Independent Director of Mencast Holdings giving his corporate acceptance speech for the BMBA Small Cap Gold Award.



Best CEO Award (L to R): Mr Lim Hock Chee, Mr Teo Eng Cheong (CEO, IE Singapore and member of the Best CEO Award judging panel), Mr Piyush Gupta, Mr Mohamed Salleh Marican, and Mr Willie Cheng, SID Chairman.



Minister K. Shanmugam bantering with Mrs Lee Suet Fern of Stamford Law Corporation just before the announcement of the Best BMBA Award winners.

# SOCIALS

In addition to professional development sessions, SID members can eat, drink and network at more informal events where expert speakers talk on lighter business or lifestyle subjects of topical interest with entertainment thrown in sometimes.

In the past year, such events included:

- An evening with the Singapore Chinese Orchestra (SCO) at the Singapore Conference Hall on 29 November 2012. Our hosts, SCO Director Mr Patrick Goh welcomed members and General Manager Mr Terence Ho spoke on “Running a Non-profit Organisation as a Business”. Associate Conductor Mr Quek Ling Kiong gave a brief introduction on Chinese musical instruments. Members enjoyed a special performance by the SCO followed by a delightful dinner.
- A talk on “Islamic Banking – Riding the Growth, Seizing the Opportunities” followed by cocktails and networking on 29 January 2013 at the Marina Mandarin Hotel’s Pool Garden. Mr Sazali Baharom, Country Manager of CIMB Islamic Banking

Division of Singapore introduced SID members to the unique benefits, growth prospects and opportunities in Islamic banking.

- An evening themed on “Enriching Health and Wealth in the Year of the Snake” on 1 March 2013 at the UBS Business University. Members enjoyed dinner in the tranquil setting of the magnificent colonial mansion that is now a corporate university for budding wealth managers. Medical experts from Parkway Health provided informative insights on cardiovascular disease and colorectal cancer, while Mr Tan Chin Keong from UBS Wealth Management shared his views on what the Year of the Snake boded for the Singapore equity and property markets.

The Council held an appreciation dinner for Mr John Lim who stepped down from the SID leadership after 14 long years of service. This was held at the China Club on 17 July 2013, attended by past and present Council Members and Honorary Fellows.



Members were treated to a special performance by the Singapore Chinese Orchestra.



Mr Sazali Baharom, CIMB Country Manager expounding on the benefits and opportunities in Islamic banking.



Health and wealth plus good food was the order of the evening at the UBS Wealth Management University.



Council Members and Honorary Fellows toasting Mr John Lim at the Appreciation Dinner held in his honour.

# SOCIALS

SID held its Annual Golf Tournament on Sunday, 9 June 2013 at the Tanjong Course of Sentosa Golf Club. The event was graced by Mr Lawrence Wong, Acting Minister for Culture, Community & Youth and Senior Minister of State for Communications and Information.

All flights were fully subscribed by corporations. The golf competition was based on the Double Periora format, with individual and team winners. The top team (Mr Patrick Ngiam,

Mr Bernard Ngiam, Mr Benjamin Ngiam and Mr Dennis Tan) received the Keppel Challenge Trophy.

As in previous years, the tournament concluded with a networking dinner, lucky-draw and a prize-giving ceremony. One of our members, Pak Lim Gunawan Hariyanto, CEO of BumitamaAgri Ltd entertained with a few songs in Spanish, English and Mandarin.



Mr Kevin Kwok and his flight mates looking anxiously as to where the ball may land.



Mr Bob Tan (right) received the SID Challenge Trophy for best individual score from Minister Lawrence Wong.



SID golfers gathered for a group shot before the shotgun tee off.





## Stakeholders

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- Partners
- Members
- Governing Council
- Committees
- Executive Staff

# PARTNERS

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

## CORPORATIONS

- Allen & Gledhill LLP
- Aon Hewitt
- ARA Trust Management (Suntec) Ltd
- Asia Pacific Breweries (Singapore) Pte Ltd
- Bacardi-Martini Singapore Pte Ltd
- BoardVantage
- Boustead Singapore Ltd
- Bumitama Agri Ltd
- CapitaLand Ltd
- Cathay Pacific
- Catherine Ong Associates
- Cerebos Pacific Ltd
- Certis Cisco Pte Ltd
- CIMB Islamic Banking Division of Singapore
- Citigate Dewe Rogerson i.MAGE
- CitySpring Infrastructure Management Pte Ltd
- Daimler South East Asia Pte Ltd
- Dairy Farm Singapore
- DBS Bank Ltd
- Decision Processes International
- Deloitte & Touche LLP
- Drew & Napier LLC
- ECS Holdings Ltd
- Eu Yan Sang International Ltd
- Egon Zehnder
- Ernst & Young Solutions LLP
- Frasers Centrepoint Ltd
- Fraser & Neave Ltd
- Freshwater Advisers
- Gas Supply Pte Ltd
- GolfDigest Singapore
- Hartawan Holdings Ltd
- Hay Group Singapore
- Hong Bao Media
- HSBC Singapore
- Isetan (Singapore) Ltd
- Jardine Cycle & Carriage
- JC Howe International
- Julius Bär Group Ltd
- KCS Corporate Services Pte Ltd
- Keppel Corporation
- KhattarWong LLP
- KPMG LLP
- Lee & Lee
- Leelloyds Marine Engineering Pte Ltd
- Marina Mandarin Singapore
- Mandarin Oriental
- Meiban Group Pte Ltd
- Mercer
- Norton Rose Fulbright Australia
- NTUC Fairprice Co-operative Ltd
- OCBC Bank
- Opal Lawyers LLC
- Pan-West (Private) Ltd
- OSIM International Ltd
- Parkway Health
- PricewaterhouseCoopers LLP
- Provenance Capital Pte Ltd
- Rajah & Tann LLP
- RHTLaw Taylor Wessing LLP
- RSM Ethos Pte Ltd
- Russell Reynolds Associates
- S&W Fine Foods International Ltd
- Semcorp Industries Ltd
- Senoko Energy Pte Ltd
- SIIC Environment Holdings Ltd
- Singapore Press Holdings Ltd
- Singapore Pools
- South East Asia Control Risks Group
- Stamford Law Corporation
- StarHub Ltd
- Tat Hong Holdings Ltd
- Temasek Holdings
- Thomson Reuters Accelus
- Towers Watson
- Transview Holdings Ltd
- Trusted Board Ltd
- Tuas Power Generation Pte Ltd
- UBS Singapore
- Wing Tai Holdings Ltd
- WongPartnership LLP
- Yoma Statagic Holdings Ltd
- YTL PowerSeraya Pte Ltd

## OTHER ORGANISATIONS

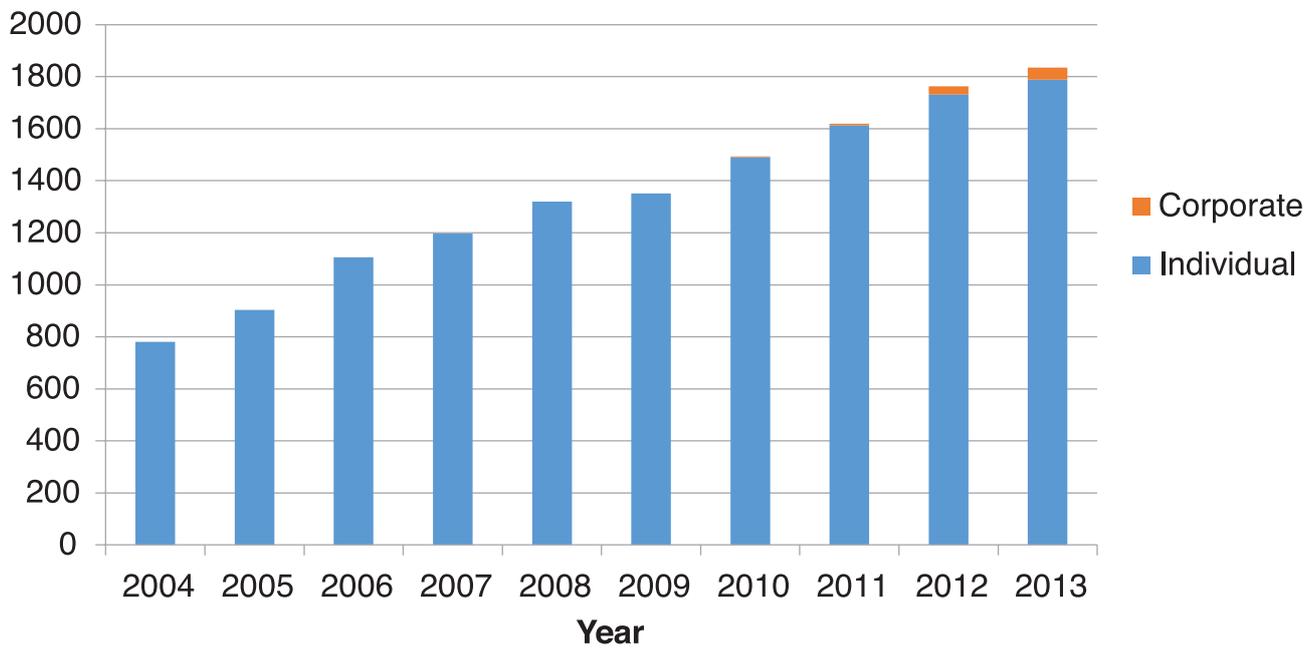
- Accounting and Corporate Regulatory Authority Singapore
- Association of Chartered Certified Accountants Singapore
- Australian Institute of Company Directors
- CFA Society Singapore
- CPA Australia
- INSEAD
- Institute of Singapore Chartered Accountants
- Investment Management Association of Singapore
- Malaysian Alliance of Corporate Directors
- Malaysian Institute of Corporate Governance
- Nanyang Technological University
- National Association of Corporate Directors
- National University of Singapore
- Singapore Accountancy Commission
- Singapore Business Federation
- Singapore Chinese Orchestra
- Singapore Corporate Counsel Association
- Singapore Exchange Ltd
- Singapore International Chamber of Commerce
- Singapore Management University
- SPRING Singapore
- The Business Times
- The Institute of Internal Auditors Singapore
- Women Corporate Directors

# MEMBERS

With more than 1,800 members today, SID is well regarded as the national professional body for corporate directors. SID's membership comprises prominent individuals from both listed and private companies as well as leading professionals, including lawyers and accountants. Adding to the Institute's influence and strength is the small but growing number of corporations that have joined the SID as corporate members.

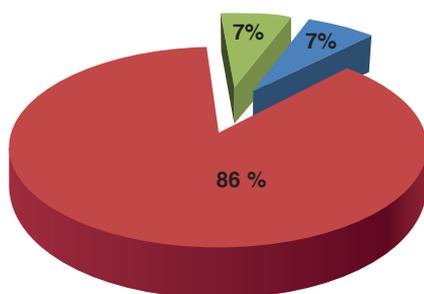
## MEMBERSHIP FROM 2004 TO 2013

No. of Members



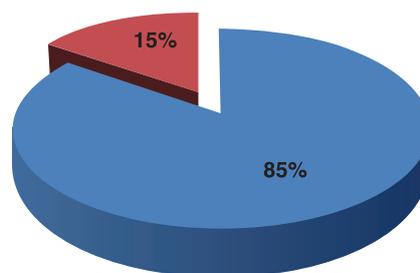
## PROFILE OF INDIVIDUAL MEMBERS

By Category



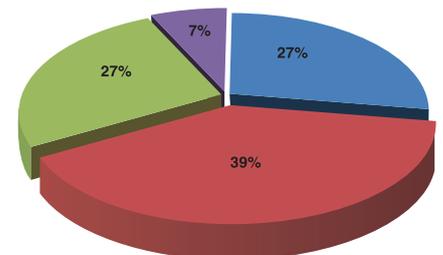
- Associate
- Fellow
- Ordinary

By Gender



- Female
- Male

By Age



- Below 40 yrs
- 40 - 49 yrs
- 50 - 59 yrs
- 60 yrs & Above

# GOVERNING COUNCIL



**Front row (L to R):**

Yeoh Oon Jin, Adrian Chan, John Lim, Willie Cheng, Yvonne Goh, Soh Gim Teik

**Back row (L to R):**

Tan Yen Yen, Daniel Ee, Andy Tan, Yeo Lian Sim, Lim Chin Hu, Robert Chew, Kevin Kwok, Kala Anandarajah, Basil Chan, Kee Teck Koon, Elaine Lim

**Not in picture:**

David Conner, Chaly Mah, Ahmad Mohamed Magad

## CHAIRMAN

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

## VICE-CHAIRMAN

**Mr Adrian Chan** is Head of the Corporate Department at Lee & Lee. He is an independent director on several publicly-listed companies and serves on the Corporate Governance and Regulations Committee of SICG. He is the Honorary Secretary of the ASME and has been appointed to the Corporate Governance and Directors' Duties Working Group of the Steering Committee to rewrite the Companies Act. He has also co-authored Singapore's first "Annotated Code of Corporate Governance" and was appointed to the Audit Committee Guidance Committee, established by the MAS, ACRA and the SGX to develop guidance for audit committees of SGX-listed companies.

# GOVERNING COUNCIL

## VICE-CHAIRMAN

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

## TREASURER

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

## IMMEDIATE PAST CHAIRMAN

**Mr John Lim** is the Chairman of Gas Supply Pte Ltd and is the Immediate Past Chairman of the SID. He now sits on the Boards, Audit, Remuneration and Nominating Committees of several listed and non-listed companies. He is a member of the Company's Act Review Steering Committee, CFO Institute Advisory Council, Management Committee of Singapore Compact for Corporate Social Responsibility, Senate Member of the MIS, a former director/Council Member of both the SICC and the Singapore Confederation of Industries. Mr Lim is also the Chairman for the "OECD Asian network on Corporate Governance for State Owned Enterprises" and a core member of the OECD Asian Roundtable.

## COUNCIL MEMBERS

**Ms Kala Anandarajah**, cited as Top 100 Women in Antitrust in the World by Global Competition Review 2013, has over two decades of experience and practices in Competition, Trade, Corporate Governance, Employment, and Environmental Laws. She sits as Board/Council Member of Building & Construction Authority, Workplace Safety & Health Council, Singapore Institute of Legal Education, SID, and Member, Transplant Ethics Committee (Lay-Persons) appointed by MOH. Ms Anandarajah is also very widely written, including the first books on Corporate Governance & Director Duties and Competition & Antitrust laws, with many of her books referred to as authorities.

**Mr Basil Chan** is the Managing Director of MBE Corporate Advisory Pte Ltd, a firm which he founded. He currently sits on the boards of a number of public-listed companies where he is a non-executive and independent director. He was a member of the Corporate Governance Committee in 2001 that developed the Singapore Code of Corporate Governance. Mr Chan has more than 30 years of experience in audit, financial and general management, having held senior financial positions in both private and listed companies. Mr Chan is also a Chartered Accountant by training.

## GOVERNING COUNCIL

**Mr Robert Chew** retired from Accenture at end September 2007. He remains active in the IT industry through his role as the Chairman of the national IT Standards Committee and as a member of the National Grid Advisory Council, the Singapore Standards Council and the Technology Committee of the SCCC. Mr Chew is a member of the boards of Pteris Global Ltd, OpenNet Pte Ltd, Alexandra Health Pte Ltd, Integrated Health Information Systems Pte Ltd, National Council of Social Service, Dover Park Hospice, Singapore Hospice Council and TOUCH Community Services.

**Mr David Conner** is a Director of OCBC Bank. He joined OCBC Bank as Group CEO and Director in April 2002. He was last elected to the OCBC Board in April 2010 and continues to serve as a Non-Executive Director after stepping down as Group CEO in April 2012. Currently, Mr Conner is also on the board of the Singapore Olympic Foundation and the advisory board of the Lee Kong Chian Business School of SMU. He is a trustee of the Singapore University of Technology and Design (STUD) and of Washington University in St. Louis where he also serves as Chairman of the university's International Advisory Council for Asia.

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

**Mr Kee Teck Koon** is currently a Non-Executive Chairman of CapitaCommercial Trust Management Ltd, Changi Airports International Pte Ltd, NTUC First Campus Co-Operative Ltd, Alexandra Health Endowment Fund and Lien Aid Ltd. He also holds directorship positions in NTUC Enterprise Co-operative Ltd, NTUC LearningHub Pte Ltd, Ascendas Pte Ltd and Raffles Medical Group Ltd (listed on the SGX-ST). Prior to Mr Kee's retirement as the Chief Investment Officer of CapitaLand Limited in July 2009, Mr Kee held several senior appointments within the CapitaLand Group and was responsible for overseeing the CapitaLand Group's financial advisory services, commercial real estate and retail real estate businesses.

**Mr Kevin Kwok** was a senior partner of Ernst & Young LLP and the Head of the firm's Assurance & Advisory Business Services for Singapore and ASEAN. He has also served ISCA in various committees and is also active in the Singapore Corporate Awards programme. He is qualified as a Chartered Accountant and is a member of the Institute of Chartered Accountants in England & Wales, and the Malaysian Institute of Accountants and a Fellow of the Malaysian Institute of Taxation. Mr Kwok serves as an independent director on the board of the SGX amongst several board commitments.

**Mr Lim Chin Hu** is the Managing Partner of Stream Global Pte Ltd. He has 30 years of experience in the Technology industry and held management positions in Hewlett Packard, MD of Sun Microsystems and CEO of Frontline Technologies Corporation. Currently, he is an independent director on several local & global companies: Changi General Hospital, Integrated Health Information Systems Pte Ltd, G-Able (Thailand) Ltd, a leading IT services company based in Thailand, Kulicke & Soffa, a US NASDAQ listed semiconductor equipment manufacturer and Telstra Corporation Ltd, a ASX listed Telecommunications company.

**Mrs Elaine Lim** is the Managing Director of Citigate Dewe Rogerson, i.MAGE Pte Ltd. With more than 30 years of experience, Mrs Lim is one of Singapore's pioneering corps of local communications professionals. An active advocate of corporate governance, she is a member of the Organising Committee for the Singapore Corporate Awards. She currently serves on the boards of Singapore Land Authority and HSR Global. She was named the PR Professional of the Year in 1995 and awarded the Lifetime PR Achievement Award in 2012 by the Institute of Public Relations Singapore.

## GOVERNING COUNCIL

**Dr Ahmad Mohamed Magad** is the Group Managing Director of II-VI Asia Manufacturing Operations. He was an elected MP for the Pasir Ris-Punggol GRC and served for 15 years. He is currently a council member of the National Productivity and Continuing Education Council and also serves as Board Member of the WDA. Dr Ahmad Magad is also President of the Singapore Productivity Association and he sits in the Council of the SID and the SMF as its Vice-President. Additionally, he is also Chairman of the Senate and the Academic Advisory Committee of the MDIS.

**Mr Chaly Mah** is the CEO and Regional Managing Director of Deloitte Asia Pacific. He is also the Chairman of Deloitte Singapore and CEO of Deloitte Southeast Asia. He has extensive experience in serving both multinational and local companies across a wide spectrum of industries. Besides being the Chairman of the Board of Directors of the Singapore Land Authority, Mr Mah serves on the Boards of Sentosa Development Corporation and the SICC. He is also the Chairman of the NUS Business School Accounting Advisory Board and is a Council Member of the Singapore Division of CPA Australia.

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

**Ms Tan Yen Yen** is Senior Vice President, Applications of Oracle Corporation. Ms Tan is currently the Chairman of Singapore Science Centre, Director of SPH, Director of Gemalto, Director of DSTA, Director of Cap Vista and Advisor Mentor of TNF Ventures. She was recently appointed to the Board of SID. Additionally, she sits on the Board of Advisors of NUS's School of Computing and SIM's International Academic Panel. She was also awarded the 'Most Inspiring Women' by Women's Weekly 2009 Great Women of our Time Awards; the 7th International Management Action Award in 2010; and the 'IT Leader Award 2011' by the Singapore Computer Society.

**Ms Yeo Lian Sim** is the Chief Regulatory & Risk Officer of the SGX and she oversees the Risk Management and Regulation team that is responsible for maintaining a robust regulatory framework for SGX's operation of a fair, orderly and transparent market and safe, efficient clearing services. Ms Yeo also serves on the Board of Shared Services for Charities Limited, Singapore Land Authority, the SID Council, and the Audit Committee of the National Council of Social Service. She was also awarded the Public Administration Medal (Gold) at the Singapore National Day Honours in 1994.

**Mr Yeoh Oon Jin** is the Executive Chairman of PwC Singapore and has more than 25 years of public accounting experience. He graduated with a First Class Honours degree in Accounting from the University of Birmingham in the United Kingdom. Mr Yeoh is a member of the Institute of Chartered Accountants in England and Wales, as well as a practising member of the ISCA. He is also a Council Member of ISCA and was previously a member of the Singapore Accounting Standards Council. Mr Yeoh was previously the Head of Assurance at PwC Singapore with over 800 staff.

# COMMITTEES

## INFRASTRUCTURE COMMITTEES

### Executive Committee

**Chairman :**

Willie Cheng

**Members :**

Adrian Chan

Yvonne Goh

John Lim

Soh Gim Teik

### Audit Committee

**Chairman :**

Basil Chan

**Members :**

Ahmad Magad

Tan Yen Yen

### Finance Committee

**Chairman :**

Soh Gim Teik

**Members :**

Soh Kok Leong

Gerard Tan

### Nominating & Governance Committee

**Chairman :**

Willie Cheng

**Dy Chairman :**

David Conner

**Members :**

Daniel Ee

Kee Teck Koon

John Lim

## TASK FORCES & PROJECT COMMITTEES

### Annual Conference Committee

**Chairman :**

Kala Anandarajah

**Dy Chairman :**

Robert Chew

**Members :**

Willie Cheng

Elaine Lim

John Lim

Chaly Mah

### Premises Committee

**Chairman :**

Andy Tan

**Members :**

Lim Chin Hu

Soh Gim Teik

### SCA Best Chief Executive Award – Working Committee

**Chairman :**

John Lim

**Members :**

Willie Cheng

Gauri Lakhanpal

Lam Khin Khui

Penelope Phoon

Joshua Teo

Elaine Yew

### SCA Best Managed Board Award – Working Committee

**Chairman :**

Kee Teck Koon

**Members :**

Willie Cheng

Lee Voon Keong

Lim Chin Hu

John Lim

Na Boon Chong

Penelope Phoon

Soh Gim Teik

Jacob Tan

Tan Yen Yen

Gabriel Teh

### Annual Golf Tournament Committee

**Chairman :**

Yvonne Goh

**Dy Chairman :**

Lim Chin Hu

**Members :**

Boon Yoon Chiang

Soh Gim Teik

### Corporate Governance Benchmarks Committee

**Chairman :**

Kevin Kwok

**Dy Chairman :**

Robert Chew

**Members :**

Eleanor Lee

John Lim

Terry Wee

### SCA Best Chief Executive Award – Panel of Judges

**Chairman :**

Hsieh Fu Hua

**Members :**

John Lim

Teo Eng Cheong

Elaine Yew

### SCA Best Managed Board Award – Panel of Judges

**Chairman :**

Cheong Choong Kong

**Members :**

Willie Cheng

Rachel Eng

John Lim

Mark Matthews

Edouard Merette

Tan Chin Tiong

# COMMITTEES

## PROGRAMME COMMITTEES

### Advocacy & Research Committee

**Chairman :**

Adrian Chan

**Members :**

David Conner  
Kevin Kwok  
Chaly Mah  
Terry Wee

### Public Relations Committee

**Chairman :**

Daniel Ee

**Members :**

Adrian Chan  
Elaine Lim  
Ahmad Magad  
Andy Tan  
Jimmy Tay  
Yeoh Oon Jin

### Professional Development Committee

**Chairman :**

Yvonne Goh

**Dy Chairman :**

Adrian Chan

**Members :**

Basil Chan  
Chng Li-Ling  
Kee Teck Koon  
Ku Xian Hong  
Lim Chin Hu  
Chaly Mah  
Neo Sing Hwee  
Soh Gim Teik  
Tan Yen Yen  
Yeo Lian Sim

### Membership Committee

**Chairman :**

Kevin Kwok

**Members :**

Kee Teck Koon  
Lim Chin Hu  
Andy Tan  
Bernard Tay  
Yeo Lian Sim

### Publication & Website Committee

**Chairman :**

Yeoh Oon Jin

**Dy Chairman :**

Kala Anandarajah

**Members :**

Adrian Chan  
Robert Chew  
Terence Foo  
Mike Gray  
Elaine Lim  
Victor Yeo  
Annabelle Yip

## EXECUTIVE STAFF

**Front row (L to R):**

Gabriel Teh  
Penelope Phoon

Senior Manager  
Executive Director

**Back row (L to R):**

Florence Lum  
Jane Tan  
Chew Seok Hwee  
Edmond Kwek  
Chia Yi Hui

Operation & Logistics  
Accounts & Administration  
Membership & Administration  
Marketing & Membership Services  
Communications & Events







# Corporate Governance

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SID Code of Governance

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# SID CODE OF GOVERNANCE

## PREAMBLE

The Singapore Institute of Directors (SID) is a company limited by guarantee, set up to be an association of directors and persons interested in directorship and corporate governance in Singapore.

SID's mission and vision are:

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

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

SID recognises that it is accountable to its members as well as other stakeholders. In addition, as a body promoting excellence in governance practices, SID commits to practising the highest standards of good governance.

SID has therefore established this SID Code of Governance to articulate and communicate the governance standards and best practices that it wishes to uphold.

SID is a nonprofit organisation focused on corporate governance practices of commercial companies (listed and private) as well as nonprofit organisations. The SID Code of Governance is drawn from the principles and guidelines contained in the Code of Corporate Governance issued by the Monetary Authority of Singapore and the Code of Governance for Charities issued by the Commissioner of Charities.

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# SID CODE OF GOVERNANCE

## 1. GOVERNING COUNCIL

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

### 1.1 Role of Governing Council

The Council is responsible for directing the affairs of the Institute and the long term success of the Institute. The Council works with management to achieve this objective and management remains accountable to the Council. The Council shall also have the powers set out in the Institute's Memorandum and Articles of Association (M&A).

### 1.2 Council Composition

There shall be a formal and transparent process for the election/appointment and re-election/re-appointment of members to the Council.

The Council's composition, election or appointment, power, tenure and proceedings shall be in accordance with the Institute's M&A. In addition to the requirements of the M&A, the Council should establish guidelines on tenures, qualifications and expectations of Council members and a process to ensure the continuing renewal of an effective Council.

### 1.3 Functioning of Council

The Council shall establish structures, policies, rules and processes by which it can function effectively to direct the affairs of the Institute.

The Council may establish Committees to assist in the execution of its duties and to oversee the programmes and activities of the Institute. Terms of Reference and guidelines for the functioning of these committees shall be drawn up.

All Council members shall exercise independent judgement and act in the best interests of the Institute. No individual or small group of individuals should or be allowed to dominate the Council's decision making.

### 1.4 Council Service

Council members serve SID on a voluntary basis. A Council member will not receive any remuneration from the Institute for serving on the Council or for any other services rendered to the Institute.

This does not preclude employers of Council members from being appointed for paid services rendered to the SID. However, this should be generally avoided in the first instance and be subjected to proper rules of procurement and conflict of interest measures should it occur.

### 1.5 Authorities & Delegation

SID shall draw up policies to define the various levels of authority (within the Council and management ranks) and the delegation of powers for all areas of functioning and operations of the SID.

# SID CODE OF GOVERNANCE

## 1.6 Performance

The Council shall conduct an annual assessment of the effectiveness of the Council as a whole, its various committees, and the contribution by each Council member.

## 2. DISCLOSURE AND TRANSPARENCY

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

### 2.1 Access to Information

In order to fulfill their responsibilities, Council members shall be provided with adequate and timely information prior to Council meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities

### 2.2 Conflicts of Interest

Council members and staff shall act in the best interests of the Institute. Clear policies and procedures shall be in place to prevent and address conflicts of interest.

All Council members and staff shall disclose to the Council their interests in all other organisations (including commercial, nonprofit and public sector organisations) in which they are directors or have control or have a substantial shareholding or monetary interest, when they are first appointed and whenever there are updates. Such disclosures shall be circulated to all Council members and any potential conflict of interests documented.

### 2.3 Related Party Transactions

Where Council members have:

- (a) personal interest in business transactions or contracts that the Institute may enter into; or
- (b) vested interest in other organisations that the Institute has dealings with or is considering entering into joint ventures; or
- (c) personal interest as its suppliers, service users, beneficiaries;

these shall be reported to the Council and properly managed as required by its policies and procedures.

# SID CODE OF GOVERNANCE

## 3. STRATEGY IMPLEMENTATION

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

### 3.1 Mission & Vision

The Council shall review its mission and vision periodically to ensure their relevance to the changing environment and needs.

### 3.2 Strategic Planning

The Council shall define and approve the intermediate and long-term plans of the Institute, and clearly document and communicate them to its stakeholders. The Council shall review these plans at least once in each Council term to ensure their relevance to the changing environment and needs.

### 3.3 Programme Management

The Institute shall ensure that its operations and programmes are directed towards the stated plans, mission and vision. It shall ensure that the objectives of each programme are clearly defined.

The Council shall regularly review and be updated on the progress of the Institute's plans, programmes and services.

## 4. HUMAN RESOURCE MANAGEMENT

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

### 4.1 Human Resource Policy

The Institute shall have policies in place for the staff who manage its operations and programmes. The Institute shall ensure that a Human Resource Manual that contains relevant human resource policies and procedures as approved by the Council is developed and maintained.

### 4.2 Recruitment

The Institute shall aim to attract and retain suitable staff with the appropriate type and level of qualifications, experience and motivation.

The appointment of the Executive Director shall be approved by the Council and that of the senior staff by the Chairman.

An orientation program shall be conducted for new staff.

# SID CODE OF GOVERNANCE

## 4.3 Remuneration

There shall be formal and transparent policies and procedures for reviewing, and deciding on remuneration packages, salary increments, bonuses and all other benefits of the Executive Director and staff.

The level and structure of remuneration shall be aligned with the long-term interest of the Institute. The remuneration should be appropriate to attract, retain and motivate the Executive Director and the secretariat to properly manage the Institute, as well as reflect the nonprofit nature of the Institute.

No staff shall be involved in setting his or her own remuneration.

## 4.4 Staff Evaluation

The Council shall ensure that a fair and transparent system is set up for the regular supervision, appraisal and personal development of the Executive Director and other staff.

Annual and other regular reviews covering performance and staff developmental needs should be conducted for all staff.

## 4.5 Volunteer Management.

SID shall have policies focused on managing volunteers who serve on its committees and participate in its programmes.

## 4.6 Expenses & Travel

Reimbursements policies and procedures shall be prescribed in the Finance Guidelines.

## 5. FINANCIAL MANAGEMENT

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

### 5.1 Budget Planning and Monitoring

The Council shall approve an annual budget appropriate for the corporate plan and programmes of the Institute and review regularly its annual budget performance to avoid or minimize operating deficits on a sustained basis.

Financial statements with comparative budget figures shall be presented to Council meetings, with analysis and explanations for major variations, if any, for Council discussion and adoption.

# SID CODE OF GOVERNANCE

## 5.2 Audit

The Council should establish an Audit Committee with written terms of reference which clearly set out its authority and duties. An external auditor shall be appointed.

## 5.3 Internal Controls

The Council is responsible for the governance of risk and controls. The Council should ensure that Management maintains a sound system of risk management and internal controls to safeguard members' interests and the Institute's assets, and should determine the nature and extent of the significant risks which the Council is willing to take in achieving its strategic objectives.

## 5.4 Fundraising

The Institute should ensure that its fundraising activities are transparent and ethical. It should account to its sponsors and donors on what, how and when the funds would be used. The Institute should also be prudent in engaging third party fundraisers.

## 6. STAKEHOLDER COMMUNICATIONS

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

### 6.1 Public Image

The Institute shall endeavor to continually enhance its image in line with its positioning and objectives.

### 6.2 Communications with Media

The Council shall ensure that there are procedures relating to releasing information about the Institute and its activities to the media, its stakeholders and the public.

The Council designates the Chairman, Vice-Chairmen and the Executive Director as the official spokespersons for the Institute. However, for specific matters, the Council may designate the appropriate Council member or staff as the official spokesperson.

### 6.3 Communications with Members

The Institute shall ensure that it promotes regular and effective communication with its members.

# SID CODE OF GOVERNANCE

## 7. CODE OF CONDUCT

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

### 7.1 SID Members

SID Members serve as directors in companies and organisations. All individual members need to conduct themselves with integrity, competence and accountability in the discharge of their duties.

A Code of Conduct for SID Members shall be developed and periodically reviewed and updated to define the standard of conduct expected of Members.

### 7.2 SID Council Members

SID Council Members owe a duty of care to the Institute.

A document setting out the expectations of SID Council & Committee Members shall be developed and periodically reviewed and updated to define the conduct and contributions expected of Council Members.





# Financial Report

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- Report of the Directors
- Statement of Directors
- Independent Auditors' Report
- Statement of Financial Position
- Statement of Comprehensive Income
- Statement of Changes in Accumulated Surplus
- Statement of Cash Flow
- Notes to Financial Statements

## **Singapore Institute of Directors**

(A company limited by guarantee, registration no. 199803504W)

## **Report of the Directors and Financial Statements**

Year Ended 30 June 2013

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## **SINGAPORE INSTITUTE OF DIRECTORS (A company limited by guarantee)**

### **REPORT OF THE DIRECTORS**

The directors present their report together with the audited financial statements of the Company for the financial year ended 30 June 2013.

#### **1 DIRECTORS**

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

Willie Cheng Jue Hiang	(Chairman)
Adrian Chan Pengee	(First Vice-Chairman)
Yvonne Choo (Mrs Yvonne Goh)	(Second Vice-Chairman)
Soh Gim Teik	(Treasurer)
John Lim Kok Min	(Immediate Past Chairman)
Basil Chan	
Yeoh Oon Jin	
Yeo Lian Sim	
Kala Anandarajah	
Ahmad Bin Mohamed Magad	
Daniel Cuthbert Ee Hock Huat	
Andy Tan Chye Guan	
Kevin Kwok Khien	
David Philbrick Conner	
Elaine Lee Kia Jong	
Lim Chin Hu	
Robert Chew	
Kee Teck Koon	
Chaly Mah Chee Kheong	
Tan Yen Yen	

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

#### **2 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS**

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

### 3 AUDITORS

Pursuant to a director's resolution dated 19 November 2012, KPMG was appointed as auditors of the Company and hold office until the conclusion of the Annual General Meeting.

The auditors, KPMG LLP, have indicated their willingness to accept re-appointment.

ON BEHALF OF THE BOARD OF DIRECTORS

Willie Cheng Jue Hiang

Soh Gim Teik

8 October 2013

**SINGAPORE INSTITUTE OF DIRECTORS  
(A company limited by guarantee)**

**STATEMENT BY DIRECTORS**

In the opinion of the directors, the financial statements as set out on pages 46 to 64 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and of the results, changes in accumulated surplus and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

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

ON BEHALF OF THE BOARD OF DIRECTORS

Willie Cheng Jue Hiang

Soh Gim Teik

8 October 2013

## **INDEPENDENT AUDITORS' REPORT**

### **MEMBERS OF THE COMPANY SINGAPORE INSTITUTE OF DIRECTORS**

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of Singapore Institute of Directors (the "Company") which comprise the statement of financial position of the Company as at 30 June 2013, and the statement of comprehensive income, statement of changes in accumulated surplus and statement of cash flows of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 46 to 64.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards.

Management has acknowledged that its responsibility includes devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss account and balance sheet and to maintain accountability of assets.

#### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## **Opinion**

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 30 June 2013 and the results, changes in accumulated surplus and cash flows of the Company for the year ended on that date.

## **Other Matter**

The financial statements for the year ended 30 June 2012 were audited by another firm of Chartered Accountants whose report dated 31 October 2012 expressed an unqualified opinion on those financial statements.

## **Report on Other Legal and Regulatory Requirements**

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

## **KPMG LLP**

*Public Accountants and  
Chartered Accountants*

## **Singapore**

8 October 2013

**SINGAPORE INSTITUTE OF DIRECTORS**  
(A company limited by guarantee)

**STATEMENT OF FINANCIAL POSITION**  
30 June 2013

	Note	2013 \$	2012 \$
<b><u>ASSETS</u></b>			
<b>Current assets</b>			
Cash and bank balances	6	1,799,946	1,293,613
Trade receivables	7	157,817	90,374
Other receivables and prepayments	8	125,339	39,305
Other financial assets	9	561,058	558,804
<b>Total current assets</b>		<b>2,644,160</b>	<b>1,982,096</b>
<b>Non-current assets</b>			
Plant and equipment	10	20,449	36,958
<b>Total assets</b>		<b>2,664,609</b>	<b>2,019,054</b>
<b><u>LIABILITIES AND EQUITY</u></b>			
<b>Current liabilities</b>			
Subscriptions received in advance		289,876	340,864
Course fees received in advance		44,437	66,393
Other payables	12	332,454	95,332
Income tax payable		25,291	5,616
<b>Total current liabilities</b>		<b>692,058</b>	<b>508,205</b>
<b>Non-current liability</b>			
Deferred tax liability	11	1,500	5,971
<b>Total liabilities</b>		<b>693,358</b>	<b>514,176</b>
<b>Reserves</b>			
Accumulated surplus		1,971,051	1,504,878
<b>Total liabilities and equity</b>		<b>2,664,609</b>	<b>2,019,054</b>

See accompanying notes to financial statements.

**SINGAPORE INSTITUTE OF DIRECTORS**  
(A company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME**  
Year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Revenue</b>	13	1,577,923	1,508,901
Other operating income	14	205,839	12,940
Course, seminar and golf tournament expenses		(412,933)	(270,860)
Staff costs		(587,351)	(544,560)
Depreciation expense	10	(29,579)	(37,078)
Other operating expenses		(268,808)	(349,223)
<b>Surplus before income tax</b>		<u>485,091</u>	<u>320,120</u>
Income tax expenses	15	(18,918)	(30,902)
<b>Surplus for the year representing total comprehensive income for the year</b>		<u>466,173</u>	<u>289,218</u>

See accompanying notes to financial statements.

**SINGAPORE INSTITUTE OF DIRECTORS**  
(A company limited by guarantee)

**STATEMENT OF CHANGES IN ACCUMULATED SURPLUS**  
Year ended 30 June 2013

	<b>Accumulated surplus \$</b>
<b>Balance at 1 July 2011</b>	1,215,660
Total comprehensive income for the year	<u>289,218</u>
<b>Balance at 30 June 2012</b>	1,504,878
Total comprehensive income for the year	<u>466,173</u>
<b>Balance at 30 June 2013</b>	<u>1,971,051</u>

See accompanying notes to financial statements.

**SINGAPORE INSTITUTE OF DIRECTORS**  
(A company limited by guarantee)

**STATEMENT OF CASH FLOWS**  
Year ended 30 June 2013

	Note	2013 \$	2012 \$
<b>Operating activities</b>			
Surplus before income tax		485,091	320,120
Adjustments for:			
Depreciation expense		29,579	37,078
Interest income		(2,053)	(2,010)
Operating cash flows before movements in working capital		512,617	355,188
Trade receivables		(67,443)	(20,519)
Other receivables and prepayments		(86,034)	(1,553)
Subscriptions received in advance		(50,988)	63,455
Course fees received in advance		(21,956)	59,313
Other payables		237,122	21,720
Cash generated from operations		523,318	477,604
Income tax paid		(3,714)	(406)
<b>Net cash from operating activities</b>		519,604	477,198
<b>Investing activities</b>			
Interest received		2,053	2,010
Purchase of plant and equipment		(13,420)	(8,800)
Proceeds from sale of plant and equipment		350	-
<b>Net cash used in investing activities</b>		(11,017)	(6,790)
<b>Financing activity</b>			
Increase in fixed deposits representing net cash used in financing activity		(2,254)	(4,502)
<b>Net increase in cash and cash equivalents</b>		506,333	465,906
Cash and bank balances at beginning of year		1,293,613	827,707
<b>Cash and bank balances at end of year</b>	6	1,799,946	1,293,613

See accompanying notes to financial statements.

## **SINGAPORE INSTITUTE OF DIRECTORS (A company limited by guarantee)**

### **NOTES TO FINANCIAL STATEMENTS**

These notes form an integral part of the financial statements.

#### **1 Domicile and Activities**

The Singapore Institute of Directors was formed as a company limited by guarantee not having a share capital. The Company (Registration No. 199803504W) was incorporated in the Republic of Singapore on 18 July 1998 with its registered office and principal place of business at 3 Shenton Way, #15-08 Shenton House, Singapore 068805. The financial statements are expressed in Singapore dollars.

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

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

As at 30 June 2013, the Company has a total of 1,835 members (2012: 1,752).

The financial statements of the Company for the year ended 30 June 2013 were authorised for issue by the Board of Directors on 8 October 2013.

#### **2 Basis of Preparation**

##### **2.1 Basis of Accounting**

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

##### **2.2 Use of Estimates and Judgements**

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the

application of accounting policies and the reported accounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

### **2.3 Adoption of New and Revised Standards**

In the current financial year, the Company has adopted all the new and revised FRSs, Interpretations of FRS ("INT FRS") and amendments to FRSs that are relevant to its operations and effective for annual periods beginning on or after July 1, 2012. The adoption of these new/revised FRSs, INT FRSs and amendments to FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior year.

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

## **3 Significant Accounting Policies**

### **3.1 Financial Instruments**

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

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

#### **Effective Interest Method**

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

## Loans and Receivables

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

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

## Non-derivative Financial Liabilities

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

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

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

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

## **3.2 Impairment**

### Impairment of Financial Assets

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

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade receivables where the carrying amount is reduced through the use of an allowance account. When a

trade receivable is uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

### Impairment of Non-financial Assets

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

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

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

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

### **3.3 Plant and Equipment**

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

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

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

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

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

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

### **3.4 Provisions**

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

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

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

### **3.5 Leases**

#### *When the Company is lessee of an operating lease*

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

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

### **3.6 Employee Benefits**

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

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

### **3.7 Revenue Recognition**

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

#### Entrance and Subscription Fees

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

#### Seminar and Course Fees

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

#### Event Income and Sponsorships

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

#### Interest Income

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

### **3.8 Government Grants**

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

### **3.9 Income Tax**

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

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

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the

extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

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

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

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

### **3.10 Foreign Currency Transactions**

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

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

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

## 4 Financial Instruments, Financial Risks and Capital Risk Management

### (a) Categories of Financial Instruments

	2013 \$	2012 \$
<b>Financial assets</b>		
Loans and receivables (including cash and bank balances)	2,617,996	1,959,428
<b>Financial liabilities</b>		
Payables at amortised cost	436,492	468,790

### (b) Financial Risk Management Policies and Objectives

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

#### i) Credit Risk Management

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

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

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

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

#### ii) Foreign Exchange Risk Management

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

#### iii) Interest Rate Risk Management

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

iv) Liquidity Risk Management

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

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

v) Fair Value of Financial Assets and Financial Liabilities

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

(c) *Capital Risk Management Policies and Objectives*

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

## 5 Related Party Transactions

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

Significant related party transactions are as follows:

	2013 \$	2012 \$
Seminar and course fees paid to companies with common directors	—	8,798

## **Compensation of directors and key management personnel**

No director received any remuneration for 2013 and 2012.

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

	<b>2013</b>	<b>2012</b>
	\$	\$
Short-term benefits	277,267	269,125
Post-employment benefits	11,245	10,536
	<u>288,512</u>	<u>279,661</u>

## **6 Cash and Bank Balances**

	<b>2013</b>	<b>2012</b>
	\$	\$
Cash and cash balances	966,464	459,930
Fixed deposits	833,482	833,683
Total	<u>1,799,946</u>	<u>1,293,613</u>

Fixed deposits bear average effective interest rate from 0.05% to 0.1% (2012: 0.05% to 0.1%) per annum and for a tenure between 30 to 90 days (2012: 30 to 90 days).

## **7 Trade Receivables**

	<b>2013</b>	<b>2012</b>
	\$	\$
Outside parties	187,817	90,374
Less: Impairment for doubtful debts	(30,000)	—
	<u>157,817</u>	<u>90,374</u>

The average credit period on trade receivables is 30 days (2012: 30 days). No interest is charged on the trade receivables.

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

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

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Not past due and not impaired	153,838	80,245
Past due but not impaired (i)	3,979	10,129
Past due and impaired (ii)	30,000	–
Total trade receivables	<u>187,817</u>	<u>90,374</u>

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Past due 0 to 3 months	2,140	10,129
Past due more than 3 months to 6 months	1,839	–
	<u>3,979</u>	<u>10,129</u>

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

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Past due more than 12 months to 24 months	<u>30,000</u>	–

## 8 Other Receivables and Prepayments

	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
Prepayments	26,164	22,668
Deposits	58,799	13,225
Accrued income	37,000	–
Others	3,376	3,412
Total	<u>125,339</u>	<u>39,305</u>

## 9 Other Financial Assets

	<b>Note</b>	<b>2013</b>	<b>2012</b>
		<b>\$</b>	<b>\$</b>
Fixed deposits with maturity tenure greater than 90 days	18	<u>561,058</u>	<u>558,804</u>

The above bear average effective interest rate of 0.25% (2012: 0.25%) per annum and for a tenure of 365 days (2012: 365 days).

## 10 Plant and Equipment

	Renovation and refurbishment	Furniture and fittings	Computers	Office equipment	Website development	Total
	\$	\$	\$	\$	\$	\$
<b>Cost</b>						
At 1 July 2011	58,595	40,685	72,339	8,455	70,579	250,653
Additions	–	–	–	–	8,800	8,800
At 30 June 2012	58,595	40,685	72,339	8,455	79,379	259,453
Additions	–	–	7,920	–	5,500	13,420
Disposal/written off	–	–	(27,483)	–	(33,375)	(60,858)
At 30 June 2013	58,595	40,685	52,776	8,455	51,504	212,015
<b>Accumulated depreciation</b>						
At 1 July 2011	48,312	36,592	47,670	8,455	44,388	185,417
Depreciation	6,787	2,181	13,727	–	14,383	37,078
At 30 June 2012	55,099	38,773	61,397	8,455	58,771	222,495
Depreciation	3,496	1,646	10,763	–	13,674	29,579
Disposal/written off	–	–	(27,133)	–	(33,375)	(60,508)
At 30 June 2013	58,595	40,419	45,027	8,455	39,070	191,566
<b>Carrying amount</b>						
At 1 July 2011	10,283	4,093	24,669	–	26,191	65,236
At 30 June 2012	3,496	1,912	10,942	–	20,608	36,958
At 30 June 2013	–	266	7,749	–	12,434	20,449

## 11 Deferred Tax (Asset)/Liability

	Total \$
Balance at 1 July 2011	(18,909)
Charge to profit or loss	24,880
Balance at 30 June 2012	5,971
Credit to profit or loss	(4,471)
Balance at 30 June 2013	1,500

Deferred tax liability principally relates to plant and equipment.

## 12 Other Payables

	2013 \$	2012 \$
Sundry creditors	13,802	8,591
Accruals	88,376	52,942
Goods and services tax payable	32,276	33,799
Deferred income	198,000	–
Total	332,454	95,332

## 13 Revenue

	2013	2012
	\$	\$
Entrance and subscription fees	373,668	337,765
Seminar and course fees	812,059	770,587
Event income and sponsorships	386,196	400,549
Advertisement	6,000	–
<b>Total</b>	<b>1,577,923</b>	<b>1,508,901</b>

## 14 Other Operating Income

	2013	2012
	\$	\$
Government grant	195,216	5,000
Interest income	2,053	2,010
Others	8,570	5,930
<b>Total</b>	<b>205,839</b>	<b>12,940</b>

## 15 Income Tax Expenses

	2013	2012
	\$	\$
<b>Current tax</b>		
Based on results for the year	25,080	5,616
(Over)/under provision in prior years	(1,691)	406
	<u>23,389</u>	<u>6,022</u>
<b>Deferred tax</b>		
Based on results for the year	(2,788)	24,880
(Over)/under provision in prior years	(1,683)	–
	<u>(4,471)</u>	<u>24,880</u>
<b>Income tax expenses</b>	<b>18,918</b>	<b>30,902</b>

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

	2013	2012
	\$	\$
Surplus before income tax	<u>485,091</u>	<u>320,120</u>
Income tax expense at statutory rate of 17%	82,465	54,420
Non-taxable items	(37,308)	(33,230)
(Over)/under provision in prior years	(3,374)	406
Non-deductible expenses	13,808	15,764
Tax incentive	(36,673)	(6,458)
	<u>18,918</u>	<u>30,902</u>

## 16 Surplus for the Year

	2013	2012
	\$	\$
Impairment of doubtful debts	30,000	–
Cost of defined contribution plan included in staff costs	49,099	45,341
Operating lease expenses	80,832	79,024
	<u>80,832</u>	<u>79,024</u>

## 17 Operating Lease Arrangements

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

	2013	2012
	\$	\$
Future minimum lease payments payable:		
Within one year	96,680	53,888
Between one and five years	359,581	–
More than five years	101,132	–
	<u>557,393</u>	<u>53,888</u>

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

## 18 Bank Guarantee

	2013	2012
	\$	\$
Bank guarantee	–	30,000
	<u>–</u>	<u>30,000</u>

In 2012, the bank guarantee was secured against the fixed deposits of the Company. There was no bank guarantee in 2013.

## 19 Subsequent Event

Subsequent to 30 June 2013, the Institute entered into contracts amounting to \$93,890 relating to the renovation of the Institute's new office.

## 20 Comparative Information

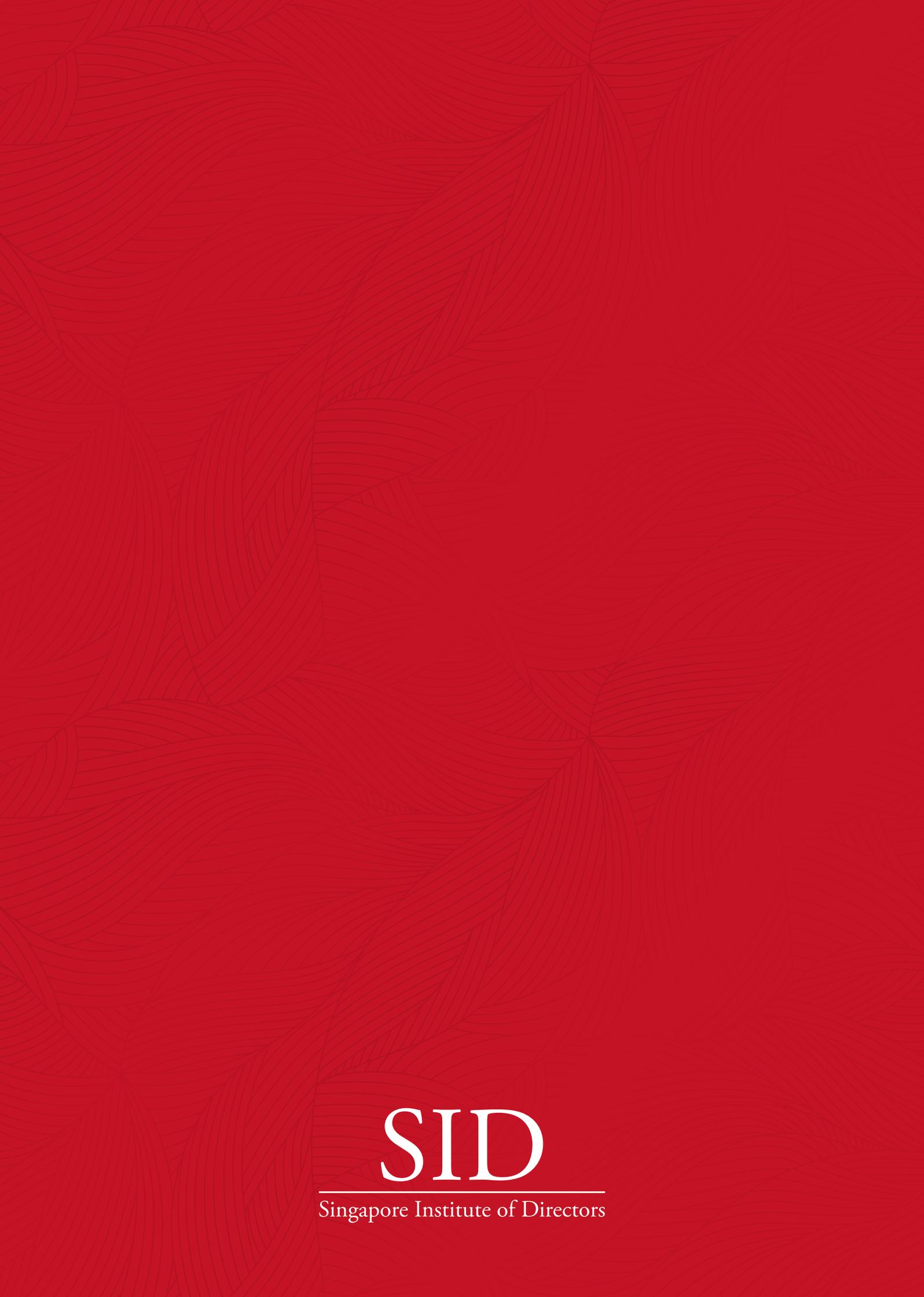
The comparative figures presented were audited by another firm of Chartered Accountants in Singapore.

The following comparatives have been changed from the previous year to be consistent with current year's presentation:

	2012	
	As previously disclosed	As restated
	\$	\$
<b>Revenue</b>		
Entrance and subscription fees	337,765	337,765
Seminar and course fees	770,587	770,587
Events income	209,680	—
Golf tournament income	177,869	—
Sponsorships	13,000	—
Event income and sponsorships	—	400,549
<b>Total</b>	<b>1,508,901</b>	<b>1,508,901</b>

	2012	
	As previously disclosed	As restated
	\$	\$
<b>Tax</b>		
Surplus before income tax	320,120	320,120
Income tax expense at statutory rate of 17%	54,420	54,420
Exempt income	(6,466)	—
Non-taxable items	(17,458)	(33,230)
Under provision in prior years	406	406
Non-deductible expenses	—	15,764
Tax incentive	—	(6,458)
	<b>30,902</b>	<b>30,902</b>





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Singapore Institute of Directors