GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(Organised as a Society under the Societies Act, Chapter 311)
(UEN: S66SS0020G)

FINANCIAL STATEMENTS

FOR THE YEAR ENDED

31 DECEMBER 2021

FLW/MH/KOH

GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT BY THE MANAGEMENT COMMITTEE

In the opinion of the management committee:-

(i) the accompanying financial statements of the General Insurance Association of Singapore (the "Association") are drawn up in accordance with the provision of the Societies Act, Chapter 311 and Financial Reporting Standards in Singapore, so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2021 and the results, changes in funds and cash flows of the Association for the financial year then ended on that date; and

(ii) at the end of this statement, there are reasonable grounds to believe that the Association will be able to pay its debts as and when they fall due.

The management committee approved and authorised these financial statements for issue.

On behalf of the Management Committee,

Ronak Akhil Shah
President

Christian Matthew Sandric
Vice President

Singapore, - 1 MAR 2022

KRESTON
DAVID YEUNG
PAC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL INSURANCE ASSOCIATION OF SINGAPORE (UEN: S66SS0020G)

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of General Insurance Association of Singapore. (the "Association"), which comprise the statement of financial position as at 31 December 2021, the statement of income and expenditure and other comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Societies Act, Cap. 311 (the "Act"), and Financial Reporting Standards in Singapore (FRSs) so as to present fairly, in all material respects, the state of affairs of the Association as at 31 December 2021 and the results, changes in funds and cash flows of the Association for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Statement by the Management Committee set out on page 1.

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

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

KRESTON DAVID YEUNG PAC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL INSURANCE ASSOCIATION OF SINGAPORE (UEN: S66SS0020G) (Continued)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of financial statements in accordance with the provisions of the Act and FRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraud or error.

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

Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

KRESTON DAVID YEUNG PAC

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF GENERAL INSURANCE ASSOCIATION OF SINGAPORE (UEN: S66SS0020G) (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.

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

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

Report on Other Legal and Regulatory Requirements

In our opinion:-

(a) the accounting and other records required by the Societies Regulations enacted under the Act to be kept by the Association have been properly kept in accordance with those Regulations; and

(b) the fund-raising appeal held during the reporting year has been carried out in accordance with Regulation 6 of the Societies Regulations issued under the Societies Act and proper accounts and other records have been kept of the fund-raising appeal.

KRESTON DAVID YEUNG PAC
Public Accountants and
Chartered Accountants

Singapore, 1 March 2022

KRESTON DAVID YEUNG PAC (UEN: 200717891W)
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GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT OF FINANCIAL POSITION
As at 31 December 2021

	Note	2021 S$	2020 S$
ASSETS			
Non-current asset			
Plant and equipment	3	30,970	53,393
Right-of-use assets	4(a)	-	222,549
Total non-current asset		30,970	275,942
Current assets			
Trade receivables	5	59,492	61,493
Other receivables	6	17,711	51,073
Deposits		15,912	54,134
Prepayments		74,116	19,588
Cash and cash equivalents		557,386	725,909
Total current assets		724,617	912,197
Total assets		755,587	1,188,139
FUNDS AND LIABILITIES			
Fund			
Accumulated fund		241,949	360,632
Non-current liability			
Lease liabilities	4(b)	-	14,534
Current liabilities			
Lease liabilities	4(b)	-	205,171
Trade payables		41,994	44,467
Other payables		50,293	51,981
Deferred grant		-	36,343
Accruals for operating expenses	7	421,351	475,011
Total current liabilities		513,638	812,973
Total liabilities		513,638	827,507
Total fund and liabilities		755,587	1,188,139

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT OF INCOME AND EXPENDITURE
AND OTHER COMPREHENSIVE INCOME
For the year ended 31 December 2021

	Note	2021 S$	2020 S$
Income			
Agents' registration fees		781,523	773,970
Levies on ordinary members		1,288,878	946,222
Rental income from Motor Insurers' Bureau - net		22,667	24,130
GIARMC net operating income	8	218,803	565,333
Other income	9	83,779	279,766
		2,395,650	2,589,421
Less: Expenditure (Page 7)		(2,514,333)	(2,476,723)
(Deficit)/Surplus before taxation		(118,683)	112,698
Less: Taxation	10	-	-
Net (deficit)/surplus for the year		(118,683)	112,698
GIA swing for golf charity	11	-	-
Total comprehensive (loss)/income for the year		(118,683)	112,698

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GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT OF INCOME AND EXPENDITURE
For the year ended 31 December 2021

	Note	2021 S$	2020 S$
Expenditure			
Accounting services fee		13,800	12,000
Agents' registration board expenses		14,800	1,500
ARCM-hosting/maintenance service	12.1	267,916	250,237
Auditor's remuneration			
- current year		12,000	11,450
- overprovision in prior year		-	(5,000)
Bank charges		746	726
Committee expenses			
- Marine committee	12.2	21,869	22,377
- Motor committee	12.3	51,545	81,065
- Insurance Fraud committee	12.4	290,094	274,030
- Insurance committee		227	1,600
- Talent and Communication committee	12.5	2,717	5,689
- Risk management committee		2,381	-
Computer accessories		6,257	3,846
Depreciation of plant and equipment	3	28,748	26,111
Depreciation of right-of-use asset	4(a)	222,549	208,574
Electricity		1,742	2,247
Entertainment and refreshment		(628)	1,367
General expenses		1,506	2,027
GIA events and seminar expenses	12.6	10,342	11,005
Office relocation costs		13,960	-
IT support		25,652	18,658
Lease interest expenses		4,881	6,740
Legal and professional fees		80,630	78,786
Meetings and seminars	12.7	2,070	4,694
Office cleaning		7,180	8,040
Office insurance expenses		31,901	33,183
Office facility membership fee		11,858	-
Photocopier rental and printing expenses		199	241
Postages		9	55
Printing and stationery		19	2,283
Public relations consultancy		73,470	68,700
Recruit agency fees		-	70
Repair and maintenance		-	538
Sponsorships/Donations	12.8	15,079	22,500
Staff costs	12.9	1,249,168	1,290,860
Subscriptions/Membership fees	12.10	18,223	8,783
Tax service fee		6,384	532
Team building expenses		2,620	3,220
Telecommunication		14,565	10,923
Transportation		1,063	2,936
Warehousing		6,791	4,130
		2,514,333	2,476,723

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT OF CHANGES IN ACCUMULATED FUND
For the year ended 31 December 2021

	Accumulated Fund S$
Balance as at 01.01.2020	247,934
Net surplus and total comprehensive income for the year	112,698
Balance as at 31.12.2020/01.01.2021	360,632
Net deficit and total comprehensive loss for the year	(118,683)
Balance as at 31.12.2021	241,949

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

GENERAL INSURANCE ASSOCIATION OF SINGAPORE
(UEN: S66SS0020G)

STATEMENT OF CASH FLOWS
For the year ended 31 December 2021

	2021 S$	2020 S$
Cash flow from operating activities:-		
(Deficits)/Surplus before taxation	(118,683)	112,698
Adjustments for:-		
Depreciation of plant and equipment	28,748	26,111
Depreciation of right-of-use assets	222,549	208,574
Lease interest expense	4,881	6,740
Gain on disposal of plant and equipments	(2,480)	-
Operating cash flows before changes of working capital	135,015	354,123
Changes of working capital:-		
Decrease in trade and other receivables	19,057	16,398
Decrease in trade and other payables	(94,164)	(84,850)
Net cash generated from operating activities	59,908	285,671
Cash flows from investing activities		
Purchase of plant and equipment	(6,325)	(35,113)
Proceed from disposal of plant and equipment	2,480	-
Net cash used in investing activities	(3,845)	(35,113)
Cash flows from financing activities		
Interest paid	(4,881)	(6,740)
Payment of principal portion of lease liabilities	(219,705)	(211,418)
Net cash used in financing activities	(224,586)	(218,158)
Net (decrease)/increase in cash and cash equivalents	(168,523)	32,400
Cash and cash equivalents at the beginning of the year	725,909	693,509
Cash and cash equivalents at the end of the year	557,386	725,909

The notes set out on pages 10 to 32 form an integral part of and should be read in conjunction with this set of financial statements.

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

1. GENERAL

The General Insurance Association of Singapore (the "Association") is registered under the Societies Act, Chapter 311. The registered office is located at 79 Robinson Road #07-01, Singapore 068897.

The principal activities of the Association relate to the protection, promotion, advancement and the doing of all things in furtherance of the common interests of members and the general insurance industry.

The financial statements of the Association for the year ended 31 December 2021 were authorised for issue in accordance with a resolution by the Management Committee on 1 March 2022.

The financial statements of the Association are presented in Singapore dollar (S$ or SGD), which is the Association's functional currency.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of Preparation

The financial statements of the Association have been drawn up in accordance with Financial Reporting Standards in Singapore (FRSs). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Association has adopted all the new and amended standards which are relevant to the Association and are effective for annual financial periods beginning on or after 1 January 2021.

b) Significant Accounting Estimates and Judgements

The preparation of the Association's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Association based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Association. Such changes are reflected in the assumptions when they occur.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

b) Significant Accounting Estimates and Judgements (Continued)

Leases – estimating the incremental borrowing rate

The Association cannot readily determine the interest rate implicit in the lease, therefore, it uses its incremental borrowing rate to measure lease liabilities. The incremental borrowing rate is the rate of interest that the Association would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The incremental borrowing rate therefore reflects what the Association 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Association estimates the incremental borrowing rate using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates.

c) Plant and Equipment

All items of plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the plant and equipment. The cost of an item of plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Association and the cost of the item can be measured reliably.

Subsequent to recognition, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line method so as to write off the costs of the plant and equipment over their estimated useful lives as follows:-

Office equipment	3 - 5 years
Computers	3 - 5 years
Furniture and fittings	3 years
Renovation	3 years
Office premise	2 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation method are reviewed at each financial year-end to ensure that amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the income and expenditure statement in the year the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash in hand and at bank which are readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

e) Financial Instruments

i) Financial Assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Association measures a financial asset at its fair value plus, in the case of a financial asset not at FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

<u>Debt instruments</u>

Subsequent measurement of debt instruments depends on the Association's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Association only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

e) Financial Instruments (Continued)

ii) Financial Liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Association becomes a party to the contractual provisions of the financial instrument. The Association determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

f) Impairment of Financial Assets

The Association recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Association expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

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

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

f) **Impairment of Financial Assets** (Continued)

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

The Association considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Association may also consider a financial asset to be in default when internal or external information indicates that the Association is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Association. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

g) **Impairment of Non-Financial Assets**

The Association assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Association makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

h) **Contingencies**

A contingent liability is:-

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Association; or

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

h) **Contingencies** (Continued)

(b) a present obligation that arises from past events but is not recognised because:

i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or

ii) The amount of the obligation cannot be measured with sufficient reliability.

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

Contingent liabilities and assets are not recognised on the statement of financial position of the Association, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

i) **Provisions**

Provisions are recognised when the Association has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed.

j) **Income Recognition**

Income is measured based on the consideration to which the Association expects to be entitled in exchange for transferring promised goods or services to a customer.

Income is recognised when the Association satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of income recognised is the amount allocated to the satisfied performance obligation.

Revenue accident, search report and Bola are recognised when the goods or services are delivered to the customer and all criteria for acceptance have been satisfied.

Agents' registration fee is recognised when due.

Levy membership fee is recognised on call basis.

The entrance fee is recognised when new member is admitted.

Interest income is recognised using the effective interest method.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

k) GIA Records Management Centre (GIARMC) Net Operating Income

On 1 May 1999, a Market Agreement was entered into with members of the Association to operate the Non-Injury Motor Accident Reports Scheme.

In connection with the Scheme, the GIA Records Management Centre (the Centre) was established for the purpose of the archival and retrieval of records.

The Association has appointed Shift Technology Pte. Ltd. as the manager to provide the staff and facilities to the Centre for maintenance of the accounting records and operate a separate bank account for the operations of the Centre. The Association is liable for all losses incurred by the Centre and is responsible for bearing all expenses and liabilities incurred. Shift Technology Pte. Ltd. will charge the Association according to the monthly contracted rates for the services rendered.

l) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

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

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

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

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

l) Taxes (Continued)

Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:-

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

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

m) Employee Benefits

Defined Contribution Plan

As required by law, the Association makes contributions to the Central Provident Fund (CPF). CPF contributions are recognised compensation as expenses in the same period as the employment that gives rise to the contribution.

Employee Leave Entitlements

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

n) Key Management Personnel

Key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Association. The chief executive and managers are considered as key management personnel of the Association.

o) Leases

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

As lessee

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

2. **SIGNIFICANT ACCOUNTING POLICIES** (Continued)

o) **Leases** (Continued)

Right-of-use assets

The Association recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, except for those leases not yet commenced to which the leases is committed.

If ownership of the leased asset transfers to the Association at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful lives of the asset. The right-of-use assets are also subject to impairment. The accounting policy for impairment is disclosed in Note .

The Association's right-of-use assets are presented within plant and equipment (Note 4(a)).

Lease liabilities

At the commencement date of the lease, the Association recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Association and payments of penalties for terminating the lease, if the lease term reflects the Association exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Association uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Association's lease liabilities are included in lease liabilities (Note 4(b)).

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

o) Leases (Continued)

As lessee (Continued)

Short-term leases and leases of low-value assets

The Association applies the short-term lease recognition exemption to its short-term leases of machinery (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As lessor

Leases in which the Association does not transfer substantially all the risks and rewards of an asset are classified as operating leases. Rental income arising from operating leases on the Association's right-of-use assets is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

p) Government Grants

Government grants are recognised when there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant related to an expenses item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, the fair value is recognised as deferred income on the statement of financial position and is recognised to income in equal amounts over the expected useful lives of the related asset.

3. PLANT AND EQUIPMENT

	Office equipment	Computers	Furniture and fittings	Renovation	Total
	S$	S$	S$	S$	S$
Cost					
At 01.01.2020	31,003	682,117	11,541	297,693	1,022,354
Additions	1,057	34,056	-	-	35,113
Write-off	-	(15,694)	-	-	(15,694)
At 31.12.2020/01.01.2021	32,060	700,479	11,541	297,693	1,041,773
Additions	-	6,325	-	-	6,325
Write-off/Disposal	(27,616)	(72,936)	(10,781)	(297,693)	(409,026)
At 31.12.2021	4,444	633,868	760	-	639,072
Accumulated Depreciation					
At 01.01.2020	29,590	639,674	11,006	297,693	977,963
Depreciation	1,312	24,264	535	-	26,111
Write-off	-	(15,694)	-	-	(15,694)
At 31.12.2020/01.01.2021	30,902	648,244	11,541	297,693	988,380
Depreciation	1,106	27,642	-	-	28,748
Write-off/Disposal	(27,616)	(72,936)	(10,781)	(297,693)	(409,026)
At 31.12.2021	4,392	602,950	760	-	608,102
Net Carrying Amount					
At 31.12.2021	52	30,918	-	-	30,970
At 31.12.2020	1,158	52,235	-	-	53,393

Right-of-use assets acquired under leasing arrangements are re-presented to Note 4 (a).

4. LEASEE LIABILITIES – UNSECURED

Association as a lessee

The Association has lease contracts for office premise and office equipment. The Association's obligations under these leases are secured by the lessor's title to the leased assets.

The weighted average incremental borrowing rate for the Association is at rate from 2.94% to 3.10%.

4. LEASEE LIABILITIES – UNSECURED (Continued)

Association as a lessee (Continued)

(a) Carrying amounts of right-of-use assets

	Office premises S$	Office equipments S$	Total S$
Cost			
At 01.01.2020/31.12.2020/01.01.2021	407,833	23,290	431,123
Write-off	(407,833)	(23,290)	(431,123)
At 31.12.2021	-	-	-
Accumulated Depreciation			
At 01.01.2020	-	-	-
Depreciation	203,916	4,658	208,574
At 31.12.2020/01.01.2021	203,916	4,658	208,574
Depreciation	203,917	18,632	222,549
Write-off	(407,833)	(23,290)	(431,123)
At 31.12.2021	-	-	-
Carrying Amount			
At 31.12.2021	-	-	-
At 31.12.2020	203,917	18,632	222,549

* The right-of-use assets "write-off" represent the Association has completed the lease term during the financial year.

(b) Carrying amounts of lease liabilities

	2021 S$	2020 S$
Current	-	205,171
Non-current	-	14,534
	-	219,705

The maturity analysis of lease liabilities is disclosed in Note 15.

4. LEASE LIABILITIES – UNSECURED (Continued)

(b) Carrying amounts of lease liabilities (Continued)

	At beginning of year S$	Cash flows S$	Non-cash charged Accretion of interest S$	Non-cash charged Other S$	At end of year S$
2021					
Liabilities					
Lease liabilities:-					
- Current	205,171	(224,586)	4,881	14,534	-
- Non-current	14,534	-	-	(14,534)	-
	219,705	(224,586)	4,881	-	-
2020					
Liabilities					
Lease liabilities:-					
- Current	205,307	(218,158)	6,740	211,282	205,171
- Non-current	225,816	-	-	(211,282)	14,534
	431,123	(218,158)	6,740	-	219,705

The Association had total cash outflows for leases of S$224,586 (2020: S$218,158).

(c) Amount recognised in income and expenditure:-

	2021 S$	2020 S$
Depreciation of right-of-use assets	222,549	208,574
Interest expense on lease liabilities	4,881	6,740
	227,430	215,314

5. TRADE RECEIVABLES

Trade receivables majority consist of amount due from members and customers. They are non-interest bearing and are generally on immediate to about 30 days term. These receivables are unsecured and the analysis of their aging at the end of the reporting period is as follows:-

	2021 S$	2020 S$
Not past due	59,492	48,083
Past due 1 - 30 days	-	11,551
Past due 31 - 60 days	-	448
Past due more than 60 days	-	1,411
	59,492	61,493

The balances that are past due at the end of the reporting period but not impaired amounting to S$NIL (2020: S$13,410).

6. OTHER RECEIVABLES

	2021 S$	2020 S$
GST receivable	17,711	28,541
Grant receivable - Jobs Support Scheme	-	22,532
	17,711	51,073

7. ACCRUALS FOR OPERATING EXPENSES

	2021 S$	2020 S$
Accrued for staff costs	210,508	227,371
Provision for reinstatement cost	-	25,000
Professional fees	74,383	64,471
Accrued operating expenses	136,460	158,169
	421,351	475,011

8. GIARMC NET OPERATING INCOME

	2021 S$	2020 S$
Income		
Accident reports	704,132	632,916
Search fees	-	345,252
Motor-Barometer of Liability Agreement (BOLA)	73,364	231,776
	777,496	1,209,944
Less: Expenditure		
Auditors' remuneration	3,996	3,477
Bank charges	2,465	915
Bola adjudication support costs	52,142	115,263
Management fees*		
- E-Filing submission	-	120,904
- E-File search fee	-	25,295
- E-File purchase	-	85,089
- NCD and batch maintenance fee	-	61,374
- Professional and subscription fee	-	68,743
- Accident report download	-	23,118
- Third party insurer enquiry	-	16,760
- Online third party report purchased	-	58,800
- Monthly management fee	500,000	41,667
- Other expenses	-	23,206
Miscellaneous expenses	90	-
	(558,693)	(644,611)
Net operating income	218,803	565,333

* Management fees were charged by vendors for managing the day-to-day affairs of the Association, as disclosed in Note 2(k) to the financial statements.

9. OTHER OPERATING INCOME

	2021 S$	2020 S$
Gain on disposal of plant and equipments	2,480	-
Government grant		
- Productivity solution grant	8,438	-
- JSS payout	53,588	182,952
- Wage credit scheme	17,303	15,732
- Property tax rebate	-	5,070
- Rental relief framework- cash grant	-	8,779
Reimbursement income	-	57,319
Sponsorship income	-	7,010
Seminar income	1,920	1,620
Others	50	1,284
	83,779	279,766

10. TAXATION

No provision for taxation had been made in view of unutilised losses and donation available to offsetting against future surplus.

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

	2021 S$	2020 S$
(Deficit)/Surplus before taxation	(118,683)	112,689
Tax calculated at a tax rate of 17%	(20,176)	19,157
Income not taxable for tax purposes	(9,529)	(31,102)
Expenses not deductible for tax purposes	2,984	41,911
Tax rebate and incentive	(5,188)	(11,688)
Deferred tax assets at beginning of year	(38,999)	(57,375)
Deferred tax assets over provided	-	98
Deferred tax assets at end of year	70,908	38,999
	-	-

At the end of the reporting period, the Association has unutilised loss and donation of approximately S$162,300 and S$226,000 (2020: S$33,800 and S$195,500) respectively available for offsetting against its future taxable income subject to agreement with Comptroller of Income Tax and compliance with the relevant sections of the Income Tax Act. No deferred tax asset is recognised due to uncertainty of its recovery.

11. GIA SWING FOR GOLF CHARITY

	2021 S$	2020 S$
Cash donation	9,841	-
Sponsorship	130,700	100,000
Donation/Sponsorship from GIA	10,079	10,000
	150,620	110,000
Less: Expenses incurred		
Golf tournament	31,500	-
Goodie bags	5,685	-
Collateral production	2,340	-
Prizes	678	-
Miscellaneous	417	-
	(40,620)	-
Net surplus	110,000	110,000
Less: Donation made to beneficiaries		
Assumption Pathway School	-	55,000
Society for the Aged Sick	-	55,000
Singapore Heart Foundation	55,000	-
Assisi Hospice	55,000	-
	(110,000)	(110,000)
	-	-

12. EXPENDITURE

12.1 ARCM-Hosting/maintenance services

Agents Registration and CPD Management (ARCM)		
System expenses consist of:-		
Agent/IT audit	70,000	70,000
Hosting services	78,301	78,301
Litigation monitoring services	10,653	9,205
System support	96,338	92,181
Change request	12,624	550
	267,916	250,237

12. EXPENDITURE (Continued)

	2021 S$	2020 S$
12.2 Marine Committee		
Registration fee	21,851	20,394
Seminar	18	1,983
	21,869	22,377
12.3 Motor Committee		
Food and beverage	-	67
IT consultant	15,825	21,000
Miscellaneous	-	40
Legal fee	-	25,598
Public Relations Consultancy	30,720	29,360
Sponsorship to Singapore Road Safety Council	5,000	5,000
	51,545	81,065
12.4 Insurance Fraud Committee		
Fraud management system - Motor/Travel	274,269	257,640
IT consultant	15,825	15,000
Miscellaneous	-	1,390
	290,094	274,030
12.5 Talent and Communication Committee		
Miscellaneous	57	3,220
GIA Internship Programme	2,660	2,469
	2,717	5,689
12.6 GIA Events and Seminar		
Annual report	10,230	10,870
Website	112	135
	10,342	11,005

12. EXPENDITURE (Continued)

	2021	2020
	S$	S$
12.7 Meetings and Seminars		
Annual General Meeting	-	761
Asean Insurance Council (AIC) meeting	-	1,841
Meeting and seminar	2,070	2,092
	2,070	4,694
12.8 Sponsorships/Donations		
Donation to:-		
The Breadline Group	-	7,500
Food from the Heart	-	5,000
Sponsorship to:-		
GIA Swing For Charity	10,079	10,000
CASE Fund Raising	5,000	-
	15,079	22,500
12.9 Staff Costs		
Key management's remuneration		
Salaries and other costs	639,389	672,606
Employer's contribution to CPF	59,731	69,823
	699,120	742,429
Staff salaries and other costs	479,208	468,665
Employer's contribution to CPF	70,840	79,766
	550,048	548,431
	1,249,168	1,290,860
12.10 Subscriptions and Membership Fees		
Asean Insurance Council (AIC)	6,703	7,008
Others	1,770	1,775
Subscription - CCWG	9,750	-
	18,223	8,783

13. COMMITMENTS

The Association had commitments relating on other expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:-

	2021 S$	2020 S$
Expenditure commitments in respect of:-		
- IT related expenses	1,578,978	1,716,054
- Office facility membership fee	498,898	-
	2,077,876	1,716,054

14. RELATED PARTIES TRANSACTION

In addition to information disclosed elsewhere in these financial statements, the following significant related parties transactions took place during the financial year between the Association and related parties on terms agreed mutually: -

	2021 S$	2020 S$
a) With Motor Insurers' Bureau of Singapore		
Reimbursement of rental - net	22,667	24,130
b) Key Management Personnel		
Key management's remuneration		
- Salaries and other costs	639,389	672,606
- Employer's contribution to CPF	59,731	69,823
	699,120	742,429
Number of key management personnel	4	5

The management committee members work group members are volunteers and none of them received any emoluments in respect of their services as committee members of the Association for both financial years.

15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES

The main risks arising from the Association's financial instruments are credit risk, interest rate risk, foreign currency risk and liquidity risk. The Association does not use derivative and other instruments in its risk management activities. The Association does not hold, use or issue derivative financial instruments for trading purposes. The Management reviews and agrees policies for managing each of these risks and these risks are summarised below:

Foreign Currency Risk

The Association's operational activities are carried out in Singapore dollar. All transactions are paid for in local currency. There is no exposure to any risk arising from movements in foreign currencies exchange rates as the Association has no transactions in foreign currency.

Interest Rate Risk

The Association's exposure to market risk for changes in interest rates relates primarily to the Association's bank balance. However, as at year end, the exposure is insignificant.

Liquidity Risk

In the management of liquidity risk, the Association monitors and maintains a level of cash and bank balances deemed adequate by the Management Committee to finance the Association's operations and mitigate the effects of fluctuations in cash flows.

The table below summaries the maturity profile of the Association's financial assets and liabilities at the reporting date based on contractual undiscounted repayment obligations.

	2021			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	One to five years S$
Financial assets				
Trade receivables	59,492	59,492	59,492	-
Other receivables	17,711	17,711	17,711	-
Deposits	15,912	15,912	15,912	-
Cash and cash equivalents	557,386	557,386	557,386	-
Total undiscounted financial assets	650,501	650,501	650,501	-
Financial liabilities				
Trade payables	41,994	41,994	41,994	-
Other payables	50,293	50,293	50,293	-
Accruals	421,351	421,351	421,351	-
Total undiscounted financial liabilities	513,638	513,638	513,638	-

15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Liquidity Risk (Continued)

	2020			
	Carrying amount S$	Contractual cash flows S$	One year or less S$	One to five years S$
Financial assets				
Trade receivables	61,493	61,493	61,493	-
Other receivables	51,073	51,073	51,073	-
Deposits	54,134	54,134	54,134	-
Cash and cash equivalents	725,909	725,909	725,909	-
Total undiscounted financial assets	892,609	892,609	892,609	-
Financial liabilities				
Trade payables	44,467	44,467	44,467	-
Other payables	51,981	51,981	51,981	-
Accruals	475,011	475,011	475,011	-
Lease liabilities	219,705	233,458	218,158	15,300
Total undiscounted financial liabilities	791,164	804,917	789,617	15,300

Credit Risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Association. The Association's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Association minimises credit risk by dealing exclusively with high credit rating counterparties.

The Association has adopted a policy of only dealing with creditworthy counterparties. The Association performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Association considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Association has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days.

The Association has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 90 days.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Association's performance to developments affecting a particular industry.

15. FINANCIAL RISK MANAGEMENT OBJECTIVE AND POLICIES (Continued)

Credit Risk (Continued)

Exposure to credit risk

The Association has no significant concentration of credit risk.

16. FAIR VALUE

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective fair values, determined in accordance with the accounting policies disclosed in Note 2 to the financial statements.

17. FUND MANAGEMENT

The Association manages its funds by monitoring current and expected liquidity requirements to meet short term cash flow as and when necessary and to fulfill its continuing services to the members. The Association is not subject to any externally imposed capital requirements. They have been no changes to the capital management approach during the financial year.

18. CATEGORIES OF FINANCIAL INSTRUMENTS

The following table sets out the financial instruments as at the end of the reporting period: -

	2021 S$	2020 S$
Financial assets		
At amortised costs:-		
Trade receivables	59,492	61,493
Other receivables	17,711	51,073
Deposits	15,912	54,134
Cash and cash equivalents	557,386	725,909
	650,501	892,609
Financial liabilities		
At amortised costs:-		
Trade payables	41,994	44,467
Other payables	50,293	51,981
Accruals	421,351	475,011
Lease liabilities	-	219,705
	513,638	791,164

19. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published that are mandatory for accounting periods beginning on or after 1 January 2022. The management does not expect that adoption of these accounting standards or interpretations will have a material impact on the financial statements.

20. COVID-19 IMPLICATIONS

The Covid-19 outbreak and the measures taken to contain the spread have created a high level of uncertainty to global economic prospects. As the situation is still evolving, the Association is unable to reasonably estimate the full financial impact of the pandemic. The Association's operations and support to their members are mainly dependent on contribution from the members. Revenue may decrease during an economic uncertainty, the Association's fundamentals remain relatively strong, supported by the members and reserves from previous years. The Association will continue its best efforts to advance its mission and objectives.