



**CFA Society  
Singapore**

**2012 ANNUAL REPORT**

# FINANCE THAT SERVES SOCIETY

**ETHICS • EDUCATION • PROFESSIONAL EXCELLENCE**





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# CFA SINGAPORE 10-YEAR STRATEGIC PLAN

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## MISSION

To lead the investment community by setting the highest standards of ethics, education and professional excellence for the ultimate benefit of society.

## VISION

To inspire the Asian investment community to pursue life-long learning and align with the CFA code of conduct for the ultimate benefit of society.

## OUR VALUES

- **Trust**
- **Integrity**
- **Professional Excellence**
- **Lifelong Learning**

## STRATEGIC OBJECTIVES

- Provide leadership in continuing education and lifelong learning for financial professionals
- Strengthen and expand CFA brand awareness with employers and other partners through reciprocal community relations
- Develop world-class services platform to support the Society's mission

## FINANCIAL STATEMENTS

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## PRESIDENT'S MESSAGE



### DEAR MEMBERS,

It's my honor to present the CFA Singapore Society's annual report highlighting the return on mission for 2012. We have been able to strike the right balance between delivering programs for members benefit and managing our finances to provide for continuity.

### INDUSTRY UPDATES

The 2012 Edelman Trust Barometer has our industry ranked lowest again in terms of public trust. This global trend has resulted in a significant increase in the cost of regulation and compliance for financial institutions. The cost pressures will require many companies to reconsider business strategies and in some cases withdraw from market segments entirely. The CFA standards of ethics, education and professional excellence have never been more important and positions us to help lead the industry in regaining the confidence of investors and the public.

The Society has worked closely with the regulators on industry issues of importance. This includes responding to the recent Singapore OTC derivatives consultation paper. We also signed an MOU with the SGX to jointly deliver an investors forum for educating the financial advisory sector on a quarterly basis. Our exposure in the media has been significantly higher in 2012, reflecting the importance of our Charter and voice within the industry. We recruited

a senior CFA member as corporate development director to deepen our important relationship with top employers as envisioned in our ten-year strategic plan.

**"Lack of trust results in higher regulatory and compliance costs."**

### SIGNIFICANT EVENTS

CFA Singapore held the 25th Anniversary Dinner on 21 November 2012 at the Fullerton Hotel. Our Guest-of-Honour at this event, Mr Yoon Chi-Woon, CEO of UBS Asia Pacific, delivered an insightful talk on the future of ASEAN and its growing importance on a global stage. This analysis will help shape our vision for closer ASEAN CFA Societies collaboration.

Singapore was selected as the first Asian host of The CFA Institute Annual Conference. This event will be held at Marina Bay Sands



**Daniel Schaefer, CFA**  
President

from 19 to 22 May 2013. To ensure that this event is a huge success for Singapore, we reached out to Gerard Lee, CEO of Lion Global Investors to act as chair of the Conference Planning Committee. He has worked diligently with all our key local and global stakeholders for the past two years, and as of December 2012, the event had 500 registered delegates. We expect final numbers to exceed 1,000 attendees from over 50 countries.

In closing, this will be my sixth and final year as president. In 2007, the board had its first off-site to focus on shifting from an operational to strategic board. We were ready for more ambitious goals to be a role model for the region and approved a five-year strategic plan. Our confidence in 2008 was reinforced when we won our bid to host the 2013 CFA Annual Conference. We expanded our staff to deliver on our mission by hiring an executive director in 2008 and a corporate development director in 2012. We focused on enhancing our corporate governance – creating a nominating committee, audit committee and advisory council to support our advocacy efforts. We established a senior members committee to engage industry veterans and share their insights in our newsletter covering exclusive roundtables. The number of events jumped exponentially over the last six years without negatively impacting our finances. We invested in online registration and payment services to scale growth and manage costs. Our CFA prep course designed in collaboration with the Institute of Banking and Finance has delivered on its promise to best prepare candidates and offer senior practitioners an opportunity

to give back by teaching the CFA candidate body of knowledge. We encourage candidates to consider our program given the low pass rates overall and importance of the charter in developing their career.

The Society has a strong succession plan in place for the board to lead us to greater heights. We expect a new all-star team led by Tan Chin Hwee, Co-Head of the Asia-Pacific operations of Apollo Global Management, to be voted in as the executive committee in 2013. Longstanding board members deserving recognition who have provided their leadership and guidance over my last six years include Sharon Craggs, Gary Ng, Keoy Soo Earn and Joseph Poon.

The executive committee and I are grateful to all of our members who support the many activities and industry collaborations. We would especially like to thank the full board, advisory council, committee volunteers, staffed office, top employers and other strategic partners who made 2012 and my last six years as your president so successful and rewarding. Please consider how this opportunity of volunteering can provide you an equal platform to give back and contribute to Singapore.

**Daniel Schaefer, CFA**  
President



## EXECUTIVE DIRECTOR'S MESSAGE



**Francis Er**  
Executive Director

### DEAR MEMBERS,

2012 was indeed a very special year for the CFA community, both globally and locally. It marked the 25th anniversary of the founding of the local society and the 50th anniversary of the CFA Programme for the CFA Institute. CFA Singapore was formerly registered with the Registrar of Societies in September 1987 and made history in the process as the first society to be established outside of North America. We kicked off the year-long celebration with the launch of the CFAS-SGX Investment Fundamentals Forum collaboration. Comprising a series of quarterly investment-related talks over a 2-year timeframe, these educational seminars are targeted at the financial advisory practitioners. The celebrations culminated with the Charter Awards Ceremony-cum-25th Anniversary Gala Dinner at the Fullerton Hotel on 21 November. The highlights of the evening included the unveiling of the commemorative 25th Anniversary video, followed by a reminiscent speech by Mr. George Teo, the founding president of the CFA forerunner, the Singapore Society of Financial Analysts.

2012 also saw a record of sorts as CFA Singapore organised and hosted 102 events which made the Singapore society the most active in the Apac region once again, surpassing the previous year record of 80 plus events. In recent years, the Singapore society

**" Join our Research,  
Asset Management  
and Social Enterprise  
Investments  
committees."**





has firmly established its reputation as the leading professional body in Asia Pacific and one of the most active globally. The reach of the audience has also been expanded to include senior members and the wider investment community with the formation of the Senior Members Committee in late 2011. Some of the exclusive Roundtable forums organised included luminaries such as Manu Bhaskaran, CFA, Joel Stern, and Paul Bernard, CFA.

The Professional Development and Networking Committees organised 49 events collectively. The rest of the events were from Candidates, University Relations, Senior Members, Advocacy and Career Development. Some of the interesting networking events that created much buzz were the Glenfiddich Whisky Appreciation Night and the joint FWA-CFAS Soirée evening at the old Parliament House which featured an accomplished gu zheng artist and a presentation by Audi which included test-drives of its many performance models at its Leng Kee show-room.

Looking ahead to 2013 and beyond, CFA Singapore will enter another exciting phase as the society leadership gears up to help restore trust in the investment industry with the creation of 3 new committees. In this regard, we will be inviting members to join us in the Research, Asset Management and Social Enterprise Investments committees.

On behalf of the management and staff at CFA Singapore, thank you for your past support and I wish you a fulfilling and successful year ahead.

Sincerely,

**Francis Er**  
**Executive Director**





A photograph of the Singapore skyline at night, featuring several tall, modern skyscrapers with illuminated windows. The buildings are reflected in the water of the Marina Bay. In the foreground, there is a wooden boardwalk with a metal railing and some small lights. The sky is dark with some clouds.

# Restoring trust



## SECRETARIAT'S REPORT

### Candidate Programs

Total enrolment for our programs at all three levels saw a small decline from 283 candidates in the previous year to 272 in 2012 (June and December semesters). Profits from the classes decreased from \$314,185 to \$202,171 because of a lower proportion of candidates enrolled in the higher margin Financial Industry Competency Standards (FICS) Program as compared to the regular CFA Review classes.

We continued to organise free lunches for our members taking the CFA examinations at the Singapore Expo on examination days in June and December.

### CFA Singapore Bursary-Scholarship 2012

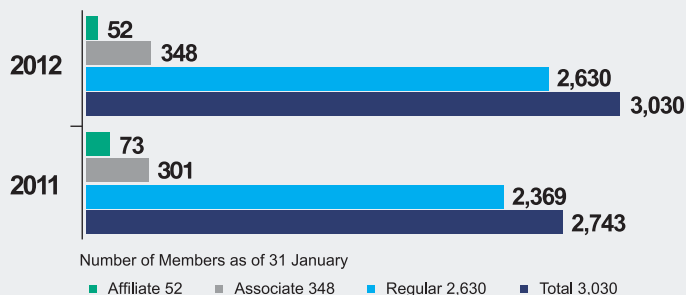
CFA Singapore awarded 10 bursary-scholarships to the following candidates: Koh Kok Koon, Avinash Arun Kothari, Yee Jun Jie, Mervyn, Lim Shan Jia, Alvin, Chong Li Yue, Ang Wen Loong, Simeon, Chew Song-Ling, Lesley, Ngian Wee Ann, Phua Zheng Yang, Daniel and Imelda Wongso. Scholarship recipients will receive a waiver of the CFA Program enrollment fee and a discount on the registration fee for the current exam offering. They will pay only curriculum and shipping costs plus any applicable taxes and import duties.

### CFA Singapore Gold Medal

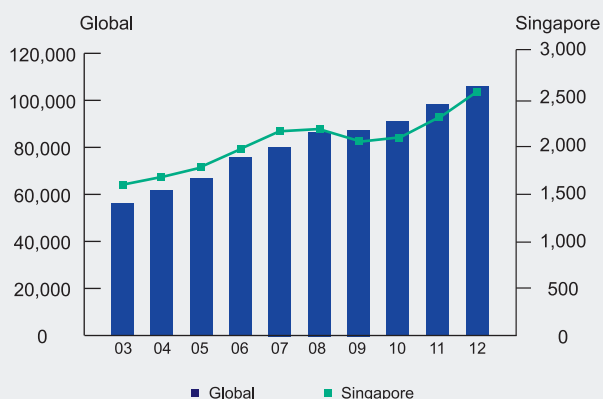
Our society awarded Gold Medals for Academic Year 2011/2012 to top finance/business students in each of the local universities. The current recipients are as follow:

- Nanyang Technological University (NTU):  
**Gan Zheren David**
- National University of Singapore (NUS):  
**Kunal Arjan Vasandani**
- Singapore Management University (SMU):  
**Victor Tan Hanqiang**
- SIM University (UniSIM):  
**Chua Sushan**

### CFA Singapore Members: 2011-2012



### CFA Charterholders



The number of Charterholders who are CFA Singapore members and globally are 2,589 and 105,934 respectively in February 2013 (2,321 and 98,628 respectively in February 2012).

### CFA Candidates



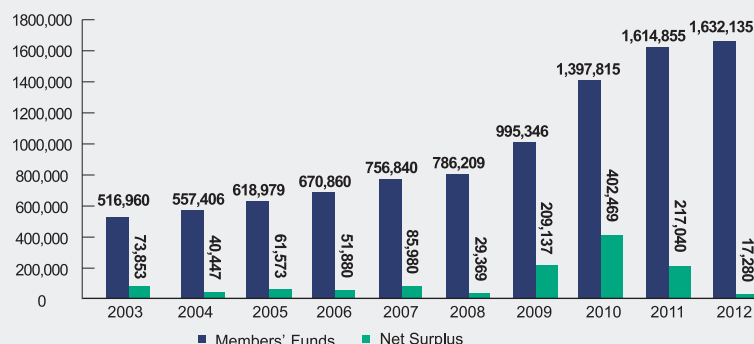
CFA candidates in Singapore and globally are 6,302 and 217,629 for 2012 (7,014 and 214,588 respectively for 2011).



## CFA Institute

CFA Singapore members continue to play an active role in the following manner: Dr. Aaron Low, CFA is a member of the CFA Institute Board of Governors. He is also serving in the External Relations and Volunteer Involvement Committee (ERVIC). Sharon Craggs, CFA is the Presidents Council Representative for Asia Pacific Region. Dr. Joseph Lim, CFA is on the Education Advisory Committee whilst Dr. Tony Tan, CFA is on the Capital Markets Policy Council. Lai Hock Meng, CFA is on the CFA Digest Editorial Board. Peter Foo, CFA serves on the Annual Conference Advisory Group.

**CFA Singapore Financial Performance (SGD)**



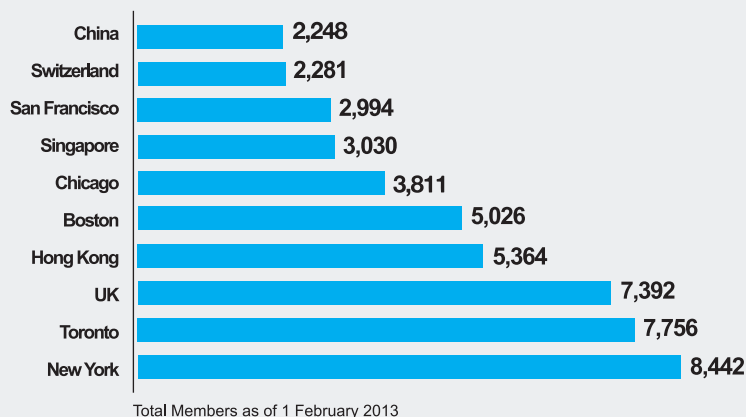
## The Society's Financial Performance

The financial year 2012 saw an increase in members' funds to \$1,632,135 but with a lower surplus of \$17,280 due to lower profits from Candidate Programs, Conferences and Workshops. For 2012, the Board had continued to budget for additional activities and members were able to attend many Professional Development and Networking activities free of charge or at a nominal fee – an approach adopted since 2004.

## Appreciation

Our appreciation goes to Thomson Reuters and the Singapore Exchange for their generous support as venue sponsors for the Investment Forum and various Professional Development talks. Our appreciation also goes to all volunteers and industry professionals who have taken their time and effort to speak to our members and guests at various seminars, lectures and activities.

**CFA Institute Top 10 Societies**



Total Members as of 1 February 2013





## KEYNOTE SPEAKERS



**Dan Meader, CFA**  
CFA Institute Chairman

In January 2012, CFA Singapore members had the rare opportunity to attend a dialogue with Dan Meader, the Chairman of the Board of Governors of CFA Institute, at the Thomson Reuters Auditorium in Singapore. Members came away with insights into how the hugely successful association manages the brand value of its membership and continuing education programs.

**Manu Bhaskaran, CFA**  
CEO of Centennial Asia Advisors

In January 2012, Senior CFA Singapore members also dialogued with economist and CEO of Centennial Asia Advisors, Manu Bhaskaran, CFA, on the political and economic issues that impact the world's economic outlook.

**Dr Tom Robinson, CFA, CPA, CFP**  
Managing Director of CFA Institute's education division

In May 2012, Dr Tom Robinson, CFA, CPA, CFP Managing Director of CFA Institute's education division, spoke at the 50th anniversary celebration of the CFA program held at Singapore Exchange and shared with about 150 fund managers and other investment professionals red flags one should look out for when investing.



### **Yoon Chi-Won**

CEO of UBS Group Asia Pacific

In November 2012 at the Society's 25th Anniversary gala dinner at the Fullerton Hotel, Yoon Chi-Won, who is CEO of UBS Group Asia Pacific, pointed out that political and socio-economic developments are ushering in ASEAN'S rise as the next economic miracle.

### **Paul Smith, CFA**

Managing Director, APAC,  
CFA Institute

At the Society's 25th Anniversary Dinner, we also had Paul Smith, CFA, Managing Director of CFA Institute Asia Pacific, who spoke on the Future of Finance. "Finance today has become separate from the economic and social system that it was meant to support. Finance has become an end in itself but the financial system can only be sustainable if it serves society," he said.

### **Joel Stern**

Chairman & CEO of Stern  
Steward & Co.

In December 2012, the speaker at 4Q2012's round table for senior members was none other than Mr EVA himself, Joel Stern. About 30 senior members from CFA Singapore heard Mr Stern speak on Converting Human Capital into Partners in the Creation of Value at China Club, Capital Tower.



## ELECTED BOARD



## APPOINTED DIRECTORS



### OFFICE BEARERS

#### President

Daniel Schaefer, CFA<sup>1</sup>

#### Deputy President

Tan Chin Hwee, CFA, CPA<sup>2</sup>

#### Secretary

Jan Richards, CFA<sup>3</sup>

#### Treasurer

Gary Ng, CFA, CPA<sup>4</sup>

### BOARD MEMBERS

Paul Bernard, CFA<sup>5</sup>

Sharon Craggs, CFA<sup>\*6</sup>

Keoy Soo Earn, CFA, FCPA<sup>7</sup>

Lim Liying, CFA<sup>8</sup>

Joseph Poon, CFA<sup>9</sup>

Seow Hock Hin, CFA<sup>10</sup>

Lutfey Siddiqi, CFA<sup>11</sup>

Vineet Vohra, CFA<sup>\*12</sup>

\*UNTIL AUGUST 2012

### DIRECTORS

#### Executive Director

Francis Er<sup>13</sup>

#### Director, Corporate Development

Tan Hock Meng, CFA<sup>14</sup>

#### Secretariat Director

Th'ng Beng Hooi, CFA<sup>15</sup>

Office Bearers and Board Members are volunteers. Office Bearers are elected by the Board, who are in turn elected by members at a General Meeting.



## ADVISORS & COMMITTEE CHAIRS



### ADVISORS, COMMITTEE CHAIRPERSONS & CO-CHAIRPERSONS

#### Advisory Council

Gerard Lee, CFA<sup>16</sup>  
TK Yap, CFA<sup>17</sup>  
Aje Saigal, CFA<sup>18</sup>

#### Annual Conference

Gerard Lee, CFA

#### Advocacy

Dr Tony Tan, CFA<sup>19\*</sup>  
Tolmas Wong, CFA<sup>20</sup>

\*until December 2012

#### Audit

Keoy Soo Earn, CFA, FCPA  
Joseph Poon, CFA

#### FICS-Candidate Programmes

Sharon Craggs, CFA\*  
Tolmas Wong, CFA

\*until August 2012

#### Career Development / University Outreach

Tan Chin Hwee, CFA, CPA  
Tolmas Wong, CFA

#### Education/Conferences

Joseph Poon, CFA

#### Membership

Paul Bernard, CFA  
Vineet Vohra, CFA\*

\*until August 2012

#### Networking

Seow Hock Hin, CFA

#### Nominating

Joseph Poon, CFA

#### Professional Development

Gary Ng, CFA  
Victor Ong, CFA<sup>21</sup>  
Alex Ho, CFA<sup>22</sup>

#### Research

Paul Bernard, CFA

#### Senior Members

Dr Tony Tan, CFA\*  
Jan Richards, CFA

\*until December 2012

#### Social Media

Dan Schaefer, CFA

Advisors and committee members are volunteers appointed by the Board.

### Board Members

Twelve Regular members served on the Board of the Society. Vineet Vohra, CFA and Sharon Craggs, CFA did not complete their term due to relocation from Singapore and to a different voluntary role within the regional CFA community respectively in the second half of 2012. Four Board members will retire at the 27th AGM in April 2013: Lim Liying, CFA; Gary Ng, CFA, CPA; Jan Richards, CFA; and Tan Chin Hwee, CFA, CPA.

The remaining six Regular members on the Board, having been elected at the 26th AGM in April 2012 will serve until the 28th AGM in 2014: Paul Bernard, CFA; Keoy Soo Earn, CFA, FCPA; Joseph Poon, CFA; Daniel Schaefer, CFA; Seow Hock Hin, CFA; and Lutfey Siddiqi, CFA.

### Auditors & Secretariat

The Society has transitioned from having honorary auditors since its inception in 1987 until 2009. From 2009, the society appointed Robert Tan & Co as the external auditors and since 2010 the accounts were audited solely by external auditors.

Managing the Secretariat office are Francis Er; Executive Director, Tan Hock Meng, CFA; Director, Corporate Development and Th'ng Beng Hooi, CFA; Secretariat Director.

# For the benefit of society









## EVENTS IN 2012



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1. On 4 July 2012, we began 8 quarterly investment forums that allow capital markets financial advisory services representatives to accumulate continuing education credits. The talks are accredited by CFA Singapore, Singapore Exchange and Life Insurance Association.
2. At the Singapore Exchange, CFA Singapore Deputy President Sharon Craggs, CFA, and SGX executive vice president Chew Sutat sounded the symbolic gong for trade commencement to commemorate the 50th anniversary of the CFA Charter.
3. Society President Dan Schaefer, CFA, spoke on the importance of ethics at the inaugural SGX-CFAS investment forum for financial advisors.

## 1. ADVOCACY

During the year, three events were held. These included collaboration with SGX on a joint CFA-SGX Investment Fundamentals Forum in May where CFA members learnt about the importance of investing and the tools needed for a successful investment strategy and celebrating the 50th Anniversary of the CFA Program with then CFA Singapore Deputy President Sharon Craggs, CFA and SGX Executive Vice President Chew Sutat sounding the symbolic gong for trade commencement at the Singapore Exchange. The Society also hosted a lunch at the Singapore Exchange and a presentation on "Avoiding Pitfalls When Investing in Asia".

### ADVOCACY COMMITTEE

- **Dr Tony Tan, CFA\* (Chair)**
- Chua Keng Woon, CFA
- Daryl Liew, CFA
- Hon Shin Ming, CFA
- Hwang Nian Huei, CFA
- Keoy Soo Eam, CFA, FCPA
- Laurel Teo, CFA
- Olaf Stier, CFA
- Tolmas Wong, CFA
- Werner Schlossmacher, CFA

\* UNTIL DECEMBER 2012

### EVENTS SUMMARY

Date	Details	Speaker
29-May	CFA Programme 50th Anniversary event	Dr Tom Robinson, CFA, CPA, CFP Tan Chin Hwee, CFA, CPA Sharon Craggs, CFA
4-Jul	Investment Fundamentals Forums Part 1	Dr Tony Tan, CFA Dr Tom Robinson, CFA, CPA, CFP Tolmas Wong, CFA Dan Schaefer, CFA Daryl Liew, CFA
16-Nov	Investment Fundamentals Forums Part 2	Gary Ng, CFA, CPA Alan Lok, CFA Andy Tan, CFA Dr Tony Tan, CFA



At the Society's annual forecast dinner in April 2012, equities expert Tolmas Wong, CFA, fixed income expert Phoon Chiong Tuck, CFA and forex expert Thio Chin Loo shared their views on the investment outlook, challenges and opportunities that lie ahead of 2012. The event was moderated by John O'Callaghan, Singapore Chief Correspondent from Thomson Reuters.

L-R: Phoon Chiong Tuck, CFA; John O'Callaghan; Thio Chin Loo; Tolmas Wong, CFA; Society President Dan Schaefer, CFA; Society Treasurer Gary Ng, CFA, CPA.

## EVENTS SUMMARY

Date	Details	Speaker
9-Jan	A luncheon with Daniel S. Meader, CFA, Chair of CFA Institute Board of Governors: Now and Future of being a CFA Charterholder	Dan Meader, CFA
17-Jan	Global Asset Allocation using Macro Analysis & ETF	Pradeep Verma, CFA
15-Feb	An introduction to Gold and Rare Earths Mining in Australia	Mark Lynch Geoff Eupene
20-Feb	Foreign Corrupt Practices Act - Implications for investing in Asian companies"	Richard Cassin
29-Feb	The Changing Regulatory Landscape for Fund Management Companies in Singapore	Bill Jamieson
9-Mar	Why not Guaranteed Active Management	Jason Macqueen
13-Mar	Speculative Betas: Resolving the Puzzle of Puzzles and Implications for Asset Management	Prof Harrison Hong
26-Mar	Investment Strategies in Emerging Markets	Peter Douglas
30-Mar	Using ETFs in Combination with Active Managers	Scott Burns
9-Apr	Annual Forecast Dinner	Thio Chin Loo Tolmas Wong, CFA Phoon Chiong Tuck, CFA
12-Apr	Macro Outlook for Q1 and Q2	Andrew Robinson
17-Apr	International Trade & Direct Investment: Financing by Banks and Credit Insurance	Arnaud Dornel
30-Apr	Risk Management for International Equity Investors	Dan Bi Bartolomeo
24-May	Asian Petroleum Refining: What Does the Future Hold?	Victor Shum
20-Jun	Global Markets and Investor Flows	Samarjit Shankar
9-Jul	Introduction to Rare Earth Elements	Steve Mackowski
25-Jul	Strategic M&A Valuation	Lars Berslev
2-Aug	Critical Thinking & Reasoning	Lim How
24-Aug	Evolution of Asian Stock Markets and Implications for Investors	Paul Bernard, CFA
6-Sep	Inside and Outside View of Private Equity	Gary Ng, CFA, CPA Michael Prah
17-Sep	Invest in Health	Dr Ho Choon Hou
2-Oct	A Swiss Vision of the future of the Euro	Francois Savary
22-Oct	Hedge Funds- Past, Present and Future	Sebastien Lacroix
6-Nov	Spotting Anomalies in the Credit Market	Tommy Leong, CFA
27-Nov	Rewarding Innovations - Can New Ideas be Bought	Prof Michael Gibbs
5-Dec	Fixing The Corporate Governance Crisis: Converting the Human Capital into Partners in the Creation of Value	Joel Stern

## 2. PROFESSIONAL DEVELOPMENT

The aim of the CFA Singapore Professional Development (PD) Committee is to organise programs that contribute to the continuing development of CFA members. To further encourage our members' commitment, attendance at PD events qualifies for CFA Institute Continuing Education ("CE") credits.

Over 1,500 members attended the 27 events organised by the PD Committee in 2012, which exceeded the target of 24 events set by the society. Highlights of the year include having Joel Stern, creator of Economic Value Added (EVA®) concept speak about corporate governance and the Annual Forecast Dinner which was held at Old Parliament House. The committee have organised PD events to cater to the needs of the broad based CFA membership through covering a wide range of topics ranging from alternative investments to international trade to critical thinking & reasoning.

We would like to thank our participants and speakers for their continued support which contributed significantly to the success of our events. Last but not least, we would also like to thank our volunteer committee members for their hard work in the past year. The PD committee will continue to organise interesting and educational PD events for our members in the coming year and would like to invite interested CFA members to join our committee and senior members to volunteer their time as speakers.

### PROFESSIONAL DEVELOPMENT COMMITTEE

- Gary Ng, CFA (Chair)
- Victor Ong, CFA (Vice-Chair)
- Alex Ho, CFA (Vice-Chair)
- Sri Prihadi, CFA
- William Ang, CFA
- May Sng, CFA
- Chew Zhuan Qi, CFA
- Koh Boon Pin, CFA
- Kum Soek Ching, CFA
- Noel Neo, CFA
- Alankar Joshi



## EVENTS IN 2012



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1. In anticipation of a tough year with headcount freeze and job cuts, the Society kick-started the year with a career talk. The panelists were mid-career charter holders with various roles such as fund management, investment research, corporate finance, private equity, equity sales and back office. Career development panel, L-R: Yeo Theng Hee, CFA; Ng Wee Siang, CFA; Li Jianmin, CFA.
2. Finance industry veterans at the Society's career talk debunked myths regarding what it takes to succeed in roles that keep the investment industry afloat and gave insights to help job seekers prepare for the reopening of hiring floodgates when the economy recovers. Career development panel, L-R: Tolmas Wong, CFA; Gerard Low, CFA; Allen Cheong, CFA.
3. University Investment Research Challenge Chairperson Tan Chin Hwee, CFA, CPA (first from left) with winning team from SMU, L-R: Tan Yong Yi, Lim Wei, Naing Ye Lin, Teo Jie Xiang, Adam Tan.
4. The following judges presided over the competition in Singapore:
  - Mr Chong Yoon Chou, CFA – Investment Director, Aberdeen Asset Management Asia
  - Mr Tan Keng Yew, Mark, CFA, CPA – Senior Director, UOB Asset Management
  - Mr Cheong Mun Fai, CFA, CIAA – Portfolio Specialist, Eastspring Investments (Singapore)

### EVENTS SUMMARY

Date	Details	Speaker
5-Jan	Career Panel	Li Jianmin, CFA Ng Wee Siang, CFA Allen Cheong, CFA Yeo Theng Hee, CFA Gerard Low, CFA Tolmas Wong, CFA
22-May	Career Panel	Steve Zhang, CFA Chua See Piu, CFA Marcus Lam, CFA
22-Jun	CIPM	Lina Irawati
6-Jul	How to Serve Clients in Challenging Financial Markets	Lena Yong
13-Aug	Career Panel	Liew Kou Yew, CFA Lim Liying, CFA Christopher Tan Tan Yam Ling

## 3. CAREER DEVELOPMENT & UNIVERSITY OUTREACH

The Society held career panel sessions on the life of a sell-side analyst and a private equity specialist, career opportunities in performance measurement, and ways to serve clients in challenging financial markets. There were also events targeting candidates who are thinking of a career in finance or investment banking and members who want to learn about the typical opportunities and career prospects available to a CFA charterholder.

University Outreach activities included active engagement of local universities through the CFA Institute Investment Research Challenge hosted by CFA Singapore. Team Oriental Capital from Singapore Management University (SMU) was the overall champion of the highly competitive University Investment Research Competition (UIRC) held on 12 January 2013. The team comprised of students Lim Wei (Captain), Naing Ye Lin, Adam Tan, Tan Yong Yi and Teo Jie Xiang who went on to the Asia Pacific regional finals in February 2013. At the Regional finals in Kuala Lumpur, our team managed to advance to the final stage but lost to the winning team from India.

The following mentors contributed invaluable hours guiding participating teams for the past two competitions:

1. Mr Kevin Gin, CFA – Director, Alpha Capital
2. Mr Deng Jiewen, CFA – Managing Director, ArkOne Capital Management
3. Mr Pratik B Ray, CFA – Senior Property Analyst for South East Asia at HSBC Global Research
4. Mr Tan Chee How, CFA – Analyst with Lonsdale Capital
5. Mr Benjamin Goh, CFA – Vice President, Discretionary Investment Unit at CIMB Securities (Singapore) Pte Ltd

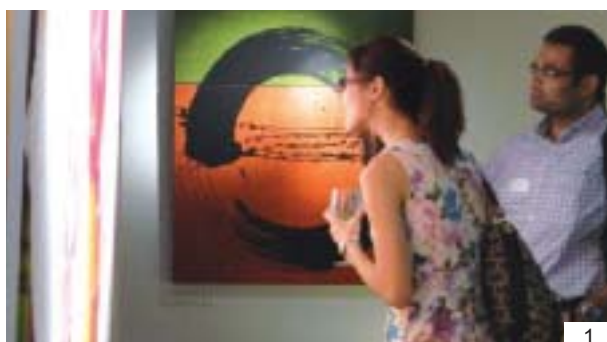
We would like to thank the judges for their time and dedication throughout the competition and the mentors for their guidance in the student teams' preparation for the IRC finals. Special thanks also go to Thomson Reuters for sponsoring the use of their system to aid participants in their research.

CFA Singapore continued to provide support to universities in Singapore by coordinating lectures in Ethics and Professional Standards to help them meet the requirements of being a CFA Institute Program Partner and to provide CFA Program briefing sessions to their students. In 2012, the lectures and briefing sessions were held at NTU, NUS, SMU and INSEAD (Singapore).

### CAREER DEVELOPMENT & UNIVERSITY OUTREACH COMMITTEE

- Tan Chin Hwee, CFA, CPA (Chair)
- Tolmas Wong, CFA (Co-Chair)





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1. X'citing Thursday art appreciation talk at Art Plural Gallery
2. Networking committee chairman, Mr Seow Hock Hin, CFA (right) with the lucky draw winner (center) at 2012's year-end party.
3. Annual Golf Challenge  
(L-R) Mark Tan, CFA, CPA; Seow Hock Hin, CFA; Alex Ho, CFA; Keoy Soo Earn, CFA, FCPA

## EVENTS SUMMARY

Date	Details	Speaker
12-Jan	Events Calendar: Xciting Thursday @ Red Dot Boat Quay	NA
23-Feb	Xciting Thursday @ the Bank Bar	NA
21-Mar	Bowling	NA
29-Mar	Xciting Thursday @ Cuba Libre	NA
19-Apr	JP Morgan Run	NA
19-Apr	Xciting Thursday (After the run)	NA
17-May	FWA/CFA Musical Wine Soiree	NA
24-May	X'Citing Thursday - The Role of Seed Funding in Catalyzing Sustainable Growth	Various
22-Jun	Golf Clinic	NA
27-Jun	Presenting Yourself Confidently and Competently	Teo Ser Lee
22-Jul	Tennis & Badminton Activity	NA
26-Jul	X'Citing Thursday @ Fandango Tapas Wine Bar	NA
7-Aug	Golf Clinic	NA
23-Aug	X'citing Thursday @ Penny Black	Olzhas Zhiyenkulov
6-Sep	X'citing Thursday - Art Appreciation	NA
23-Sep	F1 Drinks	NA
26-Sep	Embraced by the Light	Lor Bak Liang
18-Oct	X'citing Thursday - Audi Showroom	NA
25-Oct	X'citing Thursday - Magic Night	NA
1-Nov	X'citing Thursday - Movie Night	NA
14-Nov	Annual Golf Challenge	NA
28-Nov	Wine Tasting	NA
18-Dec	Year-end Party	NA

## 4. NETWORKING

The Networking Committee organised 23 activities in 2012, averaging about 2 events a month and in line with the number of events organised in the previous year. Highlights of the year included Musical Soiree, a joint event with Financial Women's Association of Singapore, and our Movie Night, which screened James Bond film Skyfall and saw a record-shattering number of participants. The committee strives to organise a wide range of events to cater to the different needs of our members. On average, an event typically drew about 30-50 participants.

Going forward, the committee would continue to gather feedback from our members so that we would continue to organise events that are relevant to our members. The Chair would like to take this opportunity to acknowledge the efforts put in by our volunteers in the committee.

### NETWORKING COMMITTEE

- **Seow Hock Hin, CFA (Chair)**
- Tolmas Wong, CFA
- Benjamin Goh, CFA
- Joyce Xu, CFA
- Michelle Hu, CFA
- Peter Chen
- Mervyn Chew, CFA
- Ethan Lim
- Sunand Razu
- Sulabh Jhajharia, CFA



## EVENTS IN 2012



1



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1. Paul Bernard, CFA, presented his analysis of the growth in market capitalization in Asia and its implications for the region and Singapore at a senior members' round table on 31 Aug 2012.
2. "Board work opens up opportunities for involvement in overseeing interesting businesses and networking with powerful businessmen," said Robert Knight, who is Asia Pacific Managing Director for the Global CEO and Board Practice division of executive search consultancy Heidrick & Struggles.

## 5. SENIOR MEMBERS

The Committee held four roundtable luncheon talks. Firstly, there was a forum based on an overview of Asian political and economic trends / prospects led by Manu Bhaskaran, Partner and Head of Economic Research at Centennial Group. Then, there was a talk from Robert Knight, entitled "Life after full time employment – Opportunities for CFA Senior Members". Thereafter, Board member Paul Bernard gave a talk on "Evolution of Asian Stock Markets and Implications for Investors". And the last roundtable discussion was on "Fixing the Corporate Governance Crisis: Converting the Human Capital into Partners in the Creation of Value" by Joel Stern.

### SENIOR MEMBERS COMMITTEE

- Dr Tony Tan, CFA\* (Chair)
- Jan Richards, CFA (Chair)
- Eric Pascal, CFA
- Genevieve Heng, CFA

\*until December 2012

## 6. SOCIAL MEDIA

The committee oversees the strategy for engaging social media to better serve our growing membership. In addition to our online events portal, the committee reviews how we can leverage new platforms and collaborate with industry leaders for the benefit of our members.

### SOCIAL MEDIA COMMITTEE

- Daniel Schaefer, CFA (Chair)
- Rasik Ahuja, CFA
- Ong Peng Wee, CFA

### EVENTS SUMMARY

Date	Details	Speaker
2-Feb	With so much political and economical uncertainty, what should Chief Investment Officers do?	Manu Bhaskaran, CFA
17-May	Life after full time employment – Opportunities for CFA Senior Members	Robert Knight
31-Aug	Evolution of Asian Stock Markets and Implications for Investors	Paul Bernard, CFA
5-Dec	Fixing The Corporate Governance Crisis: Converting the Human Capital into Partners in the Creation of Value	Joel Stern



1



2

1. Paul Smith, CFA, MD of CFA Institute Asia Pacific, addressed pioneer members and more recent cohorts at our 25th Anniversary Gala Dinner at The Fullerton Hotel.
2. Ms Low Yen Ling (right), Choa Chu Kang Member of Parliament, presented the CFA charter award to a recipient during the CFA Singapore Charter Award ceremony on 21 November 2012 at the Fullerton Hotel. There were 162 award recipients.

## 7. MEMBERSHIP

The membership committee organised the CFA Charter Recognition Ceremony 2012 on 21 Nov. This event was held together with the CFA Singapore 25th Anniversary Dinner at The Fullerton Hotel Ballroom. The Keynote speaker for the night was Guest of Honour Mr Yoon Chi-Won, Chief Executive Officer of Asia Pacific, UBS. The event also saw the premiering of the 25th Anniversary commemorative video and recognition of investment luminaries from the Singapore CFA fraternity.

### MEMBERSHIP COMMITTEE

- Vineet Vohra, CFA\* (Chair)
- Paul Bernard, CFA (Chair)

\*until August 2012



In January 2012, Dr Joseph Lim, CFA, chaired a meeting with industry practitioners and finance academics to explore deriving equity risk premiums applicable in Asia.

### RESEARCH COMMITTEE

- Paul Bernard, CFA (Chair)
- Dr Joseph Lim, CFA

## 8. RESEARCH

In January 2012, the committee organised a roundtable to discuss how analysts and academicians could help to improve on the quality of research in Singapore. There were also subsequent meetings with MAS and CFA Institute. Over the course of the year, we continued to advance the cause of investment research in Singapore. Many of the events offered by the society dealt with research related topics. This is an important continuing education offering to our membership.

Additionally, various leaders of the organization met with both the MAS and SGX to discuss both ways to enhance the presence of research professionals in Singapore as well as advocate on key issues.

Finally, CFA Singapore again hosted its annual Research Challenge. Teams of five from six Singapore universities competed in the challenge to determine which would represent Singapore in the Asia finals. The level of sophistication amongst the teams continues to rise each year. The preparation of the participants increases the number and quality of talented individuals to the benefit of the industry in Singapore.





## EVENTS IN 2012

### 9. ANNUAL CONFERENCE

CFA Singapore started the bid to host the CFA Annual Conference in 2006 and was awarded the rights in 2008. Not only is this the first time the Institute is holding its Annual Conference in Singapore, it is also its first in Asia Pacific.

The Organizing Committee got down to work just before the 65th annual conference in Chicago last year by producing a promotional video which was screened on the last day of the Chicago conference to much acclaim. Most members of the Organizing Committee were in Chicago to understudy the proceedings of the annual conference. Armed with our findings and some of our own ideas, the Organizing Committee got down to serious work the moment it came back to Singapore at the end of May 2012. In the CFA Institute's format of organizing the conference, the Annual Conference is actually organized by the CFA Institute with CFA Singapore assisting in various aspects. The Organizing Committee meets every six weeks to review various aspects of the conference, including speakers, publicity, attendance, sponsorships, cocktails, spouse/partner program and golf outing.

With only less than two months to go before we welcome delegates, the Organizing Committee is glad to report that almost all things have been nailed down. Key achievements included obtaining a platinum sponsor even while we were still in Chicago and helping CFA Institute to source for speakers with an Asian angle (almost a quarter of all speakers were sourced by CFA Singapore). We've also solicited the help of the American Chamber of Commerce and the American Club in Singapore to host a half-day programme for spouses/partners of delegates who are keen to get an appreciation of life for expatriates.

The committed attendance as at end March 2013 stood at more than 800, with CFA Singapore accounting for 200 of them. CFA Singapore would like to acknowledge all who have one way or another stepped up to be part of this momentous event, which some is sometimes hailed as the "Davos of the Investment World".

#### ANNUAL CONFERENCE COMMITTEE

- Gerard Lee, CFA (Chair)
- Dan Schaefer, CFA
- Joyce Chua
- Seow Hock Hin, CFA
- Gary Ng, CFA
- Elizabeth Chau, CFA
- Rasik Ahuja, CFA

**66<sup>TH</sup> CFA INSTITUTE ANNUAL CONFERENCE**  
19-22 May 2013 | Singapore

The CFA Institute Annual Conference is one of the investment industry's largest and longest, drawing international gatherings of investment professionals. Join us in 2013 as we hold our headquarters in Asia Pacific for the first time ever.

This year's event will focus on the impact of globalization on the growth of Asian economies, companies, and markets, with regional experts and world-renowned investors to discuss how to adapt investment processes in the face of uncertainty and find the best investment opportunities in Asia and around the world.

 <b>Josephine G. Anderson</b> President Financial Research Corporation	 <b>Robert C. Allen</b> Chief Executive Officer CFA Institute	 <b>Joseph B. Bernstein</b> Professor of Finance University of California, Berkeley	 <b>Ravi K. Chandra</b> Managing Director CFA Institute
 <b>William D. Cragg</b> Chairman CFA Institute	 <b>David J. Culp</b> Chairman CFA Institute	 <b>Robert J. Gagliardi</b> Chairman CFA Institute	 <b>Bruce A. Henderson</b> Chairman CFA Institute
 <b>Alex Hwang</b> Chairman CFA Institute	 <b>David J. Culp</b> Chairman CFA Institute	 <b>Robert J. Gagliardi</b> Chairman CFA Institute	 <b>Bruce A. Henderson</b> Chairman CFA Institute

More than 30 speakers are confirmed.  
Visit [annual.cfainstitute.org](http://annual.cfainstitute.org) for the updated speaker list.

Join us from 19 to 22 May 2013 at The Sands Expo and Convention Center at Marina Bay Sands for The CFA Institute's 66th Annual Conference and hear first-hand from the best brains of diverse sectors.

## STATEMENT BY BOARD MEMBERS

In our opinion, the financial statements set out on pages 5 to 15 are drawn up so as to give a true and fair view of the state of affairs of CFA SINGAPORE as at 31 December 2012 and of the results, changes in fund and cash flows of the Society for the year ended on that date.

On behalf of the Board Members,

DANIEL SCHAEFER, CFA  
PRESIDENT

GARY NG, CFA  
TREASURER

# INDEPENDENT AUDITOR'S REPORT

## TO THE MEMBERS OF CFA SINGAPORE

### Report on the Financial Statements

We have audited the accompanying financial statements of **CFA SINGAPORE**, which comprise the statement of financial position as at 31 December 2012, and the statement of financial activities, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### *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 Societies Act, Cap. 311 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statements of comprehensive income and financial position and to maintain accountability of assets.

#### *Auditor's 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 so as to give a true and fair view of the state of affairs of CFA SINGAPORE as at 31 December 2012 and of the results, changes in fund and cash flows of the Society for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the regulations enacted under the Act to be kept by the Society have been properly kept in accordance with those regulations.

**Robert Tan & Co.**  
Certified Public Accountants,  
Singapore



# STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2012

	Note	2012 \$	2011 \$
<b>Income</b>			
Members' fees		200,180	195,327
Joining fees		41,080	17,874
Conferences & workshops		61,288	225,084
FICS/CFA Review		929,665	1,152,594
CFA Institute Society Funding		99,788	59,953
Sponsorship		11,670	47,064
Programming activities		6,210	19,239
Networking activities		20,004	13,389
University relations		22,198	-
Interest income		4,846	75
Other income		3,112	-
		<u>1,400,041</u>	<u>1,730,599</u>
<b>Deduct : Expenditure</b>			
Affiliation fee		2,107	2,000
Allowance for doubtful debt		-	12,840
Audit fee - Current year		3,000	4,000
- Prior year		(1,000)	(1,000)
Bank charges		3,869	4,746
Candidate programmes		21,078	31,181
Conference & workshop		57,302	124,798
Depreciation		1,001	537
Employee benefits	3	157,043	148,478
Exchange loss		614	300
FICS/CFA review expenses		727,494	838,409
General expenses		15,788	12,249
Insurance		1,250	-
Medical fee		330	680
Meeting expenses - International		15,021	28,789
Members activities & General meetings		197,745	160,269
Professional fee		16,400	18,247
Public Awareness & Advocacy		65,597	17,196
Rental of premises		19,234	18,660
Secretariat services		42,267	51,209
Skill development levy		165	132
Training & development		2,253	-
University relations expenses		34,305	9,130
		<u>1,382,863</u>	<u>1,482,850</u>
<b>Surplus before tax</b>		17,178	247,749
Income tax expense - Current year	4	(131)	(20,402)
- Prior year		233	(10,307)
		<u>17,280</u>	<u>217,040</u>
<b>Surplus for the year transferred to General fund</b>		17,280	217,040
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		<u>17,280</u>	<u>217,040</u>

The attached notes to financial statements form an integral part of these financial statements.

## STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>General fund</u> \$
<b>Balance at 31 December 2010</b>	1,397,815
Total comprehensive income for 2011	<u>217,040</u>
<b>Balance at 31 December 2011</b>	1,614,855
Total comprehensive income for 2012	<u>17,280</u>
<b>Balance at 31 December 2012</b>	<u><u>1,632,135</u></u>

The attached notes to financial statements form an integral part of these financial statements.

# STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2012

	Note	2012	2011
<b>ASSETS</b>			
<b>Non-current assets</b>			
Computer	5	2,003	1
<b>Current assets</b>			
Fees receivable	6	118,998	168,569
Other receivables	7	150,767	160
Fixed deposits	8	1,500,000	750,000
Cash & bank balances		294,076	1,360,806
		<u>2,063,841</u>	<u>2,279,535</u>
<b>Total assets</b>		<u>2,065,844</u>	<u>2,279,536</u>
<b>FUND AND LIABILITIES</b>			
<b>Accumulated surplus</b>			
Balance at beginning of year		1,614,855	1,397,815
Surplus for the year		17,280	217,040
Balance at end of year		<u>1,632,135</u>	<u>1,614,855</u>
<b>Current liabilities</b>			
Expenses payable	9	78,424	218,370
Advance course fees received		314,502	385,638
Advance sponsorship received		40,652	40,271
Income tax payable		131	20,402
		<u>433,709</u>	<u>664,681</u>
<b>Total fund and liabilities</b>		<u>2,065,844</u>	<u>2,279,536</u>

The attached notes to financial statements form an integral part of these financial statements.



# STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2012

	<u>2012</u> \$	<u>2011</u> \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus before tax	17,178	247,749
Adjustments for :		
Depreciation	1,001	537
Interest income	(4,846)	(75)
	<hr/>	<hr/>
Operating surplus before working capital changes	13,333	248,211
<i>Changes in working capital :</i>		
Fees receivable	49,571	91,921
Other receivables	(150,607)	2,054
Expenses payables	(139,946)	30,553
Advance course fees & sponsorship received	(70,755)	(162,151)
	<hr/>	<hr/>
Cash (used in)/generated from operations	(298,404)	210,588
Income tax paid	(20,169)	(49,307)
	<hr/>	<hr/>
<b>Net cash (used in)/from operating activities</b>	(318,573)	161,281
	<hr/>	<hr/>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of computer	(3,003)	-
Interest received	4,846	75
	<hr/>	<hr/>
<b>Net cash from investing activities</b>	1,843	75
	<hr/>	<hr/>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>	-	-
	<hr/>	<hr/>
<b>NET (DECREASE)/INCREASE IN FIXED DEPOSITS, CASH &amp; BANK BALANCES</b>	(316,730)	161,356
	<hr/>	<hr/>
<b>FIXED DEPOSITS, CASH &amp; BANK BALANCES AT BEGINNING OF YEAR</b>	2,110,806	1,949,450
	<hr/>	<hr/>
<b>FIXED DEPOSITS, CASH &amp; BANK BALANCES AT END OF YEAR</b>	<u>1,794,076</u>	<u>2,110,806</u>

The attached notes to financial statements form an integral part of these financial statements.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 1. GENERAL

The Society is registered in Singapore under the Societies Act, Cap. 311 and its registered office is situated at 10 Shenton Way, #13-02 MAS Building, Singapore 079117. The financial statements are expressed in Singapore dollars and are authorised for issue by the Board Members on the date stated on the Statement by Board Members on page 2.

The principal activities and objectives of the Society are to encourage and promote professionalism among financial analysts and fund managers in Singapore by providing educational and informative programmes.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) *Basis of accounting*

The financial statements of the Society have been prepared under the historical cost convention except as disclosed in the accounting policies below. The fair values of financial assets and liabilities approximate their carrying amounts recorded in the financial statements.

The financial statements of the Society comply with Singapore Financial Reporting Standards (FRS). During the year, the Society adopted, where applicable, the new or revised FRS and Interpretations to FRS (INT FRS) that are effective for the current accounting period. The adoption did not result in any change in accounting policies. For new FRS and INT FRS that are not yet mandatory, there is no impact on the financial statements.

### (b) *Accounting 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 policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are reviewed on an on-going basis and are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying amounts of assets and liabilities that are not readily apparent from other sources. These estimates and assumptions are not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

### (c) *Income recognition*

#### (i) *Members' fees*

Income is recognised in the financial statements on an accrual basis.

#### (ii) *Joining fees*

Income is recognised on the date members joined.

#### (iii) *Conference, workshop & seminar*

Income is recognised when the event takes place.

#### (iv) *Interest income* Interest income is recognised on the time-proportioned basis using the effective interest method.

#### (v) *Course fees* Income is recognised over the period of instruction.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (d) **Computer**

All items of computer are initially recorded at cost. The cost of an item is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. Subsequent to recognition, computer are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation begins when the assets are available for use and is calculated on the straight line basis over its estimated useful life of 3 years.

Assets costing less than \$1,000 are expensed in the year of acquisition.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period and adjusted prospectively, if appropriate. The carrying values of computer are reviewed for impairment when events or changes in circumstances indicate that the carrying values may not be recoverable. Impairment losses or reversal of previously recognised impairment losses are recognised as loss or profit in the statement of comprehensive income.

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

### (e) **Trade and other receivables**

Trade and other receivables are classified and accounted for as loans and receivables under FRS 39 and are initially recognised at invoiced values or amounts paid and, where applicable, subsequently measured at amortised cost using the effective interest method except that short-duration non-interest bearing receivables are not usually re-measured unless the effect of imputing interest would be significant. An allowance is made for uncollectible amounts when there is objective evidence that the Society will not be able to collect the debt. Bad debts are written off when identified.

### (f) **Payable**

Payables are initially recognised at invoiced values or amounts estimated to be payable and are not usually re-measured as their settlement is short-term.

### (g) **Provisions**

Provisions are recognised when the Society has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

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



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

### (h) *Employee benefits*

#### *Defined contribution plan*

The Society contributes to Central Provident Fund ("CPF"), a defined contribution plan regulated and managed by the Singapore Government. The Society's obligation in regard to CPF is limited to the amount it has to contribute to it. CPF contributions are recognised as an expense in the same period as the employment that gives rise to the contributions.

### (i) *Income tax*

Income tax for the financial year comprises current and deferred tax. Income tax is recognised in the statement of financial activities except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at the end of the reporting period.

Deferred tax is provided in full, using the liability method, on all significant temporary differences. Deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses and credits can be utilised.

## 3. EMPLOYEE BENEFITS

The expenses for the year include the following amounts paid to key management personnel as follows :-

	2012	2011
	\$	\$
Salaries & bonus	146,003	138,465
Provident fund contributions	11,040	10,013
	<u>157,043</u>	<u>148,478</u>

## 4. INCOME TAX EXPENSE

The following is a reconciliation of tax expense and the product of accounting profit multiplied by the applicable tax rate:-

	2012	2011
	\$	\$
Accounting profit	17,178	247,749
Income tax at the applicable tax rate of 17%	2,931	42,002
Tax effect of productivity & innovation credit	(1,500)	-
Tax effect of exempt amount	(100)	(21,600)
Tax effect of 2.5 times tax deduction on approved donations	(900)	-
Changes in deferred tax liability, not recognised	(300)	-
Tax expense based on results for the year	<u>131</u>	<u>20,402</u>

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 4. INCOME TAX EXPENSE (continued)

Deferred tax liability in respect of the following temporary differences has not been recognised as the amount is not material.

	2012 \$	2011 \$
Excess of carrying amount over tax base of qualified computer	2,000	-
Deferred tax liability at applicable corporate tax rate of 17%, not recognised	300	-

## 5. COMPUTER

### Cost

At 31.12.10 & 31.12.11

Additions

At 31.12.12

\$

2,419

3,003

5,422

### Accumulated depreciation

At 31.12.10

Depreciation charge for 2011

At 31.12.11

Depreciation charge for 2012

At 31.12.12

1,881

537

2,418

1,001

3,419

### Net carrying amount

At 31.12.12

2,003

At 31.12.11

1

## 6. FEES RECEIVABLE

	2012 \$	2011 \$
Fees receivable	131,838	181,409
Less : Allowance for doubtful debt	12,840	12,840
	118,998	168,569

Fees receivable are interest-free and include course fees which are payable upon registration or partly upon registration and balance within 7 days of exam date for CFA-FICS Research program course. Course fees of \$91,348 is payable in June 2013 (2011 : \$120,052 payable in June 2012). All other receivables are on 30 days term.

# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 7. OTHER RECEIVABLES

The Society purchased discounted tickets based on the early bird rate for The CFA Institute Annual Conference for the benefit of members. The early bird savings is on passed to members who purchase a minimum number of tickets from the Society. The Society does not accrue any financial benefit.

	2012	2011
	\$	\$
Deposit & prepayment	9,496	160
Tickets relating to 66 <sup>th</sup> CFA Institute Annual Conference	136,800	-
Fixed deposit interest receivable	4,471	-
	<u>150,767</u>	<u>160</u>

## 8. FIXED DEPOSITS

Fixed deposits are placed for periods of between 3 to 13 months (2011 : placed on monthly rollover) and earn interest at 0.7088% to 1% (2011 : 0.05% to 0.1%) p.a.

## 9. EXPENSES PAYABLE

This consists mainly of course fees and event expenses.

## 10. RELATED PARTY TRANSACTIONS

In 2011, lecture fees of \$2,100 included in FICS/CFA review expenses was paid to Board Members of the Society based on terms agreed between the parties.

## 11. FINANCIAL RISKS AND MANAGEMENT

### (i) Interest rate risk

The Society has bank balances placed as fixed deposits with reputable financial institutions. Those deposits are generally with short term maturities to provide the Society the flexibility to meet its working capital requirement. The Society does not have interest-bearing borrowings.

*Sensitivity analysis for interest rate risk* As the interest rate on fixed deposits moves within a very narrow range, any reasonable possible change thereof will not have any significant impact on the Society's results.



# NOTES TO FINANCIAL STATEMENTS

31 DECEMBER 2012

## 11. FINANCIAL RISKS AND MANAGEMENT (continued)

- (ii) *Credit risk* The Society has no significant concentration of credit risk. There are procedures in place to ensure on-going credit evaluation and active account monitoring. The age analysis of trade receivables that were past due but not impaired at the end of the reporting period is as follows :-

	2012	2011
	\$	\$
<i>Past due :</i>		
0 to 30 days	3,432	12,182
31 to 90 days	8,100	21,840
More than 90 days	3,678	7,370
	<u>15,210</u>	<u>41,392</u>

- (iii) *Foreign exchange risk*

The Society has no exposure to foreign exchange risk.

- (iv) *Liquidity risk*

The Society monitors and maintains sufficient working capital to fund its operations.

## 12. CAPITAL MANAGEMENT

The Society is not subject to any externally imposed fund requirements. In view of the financial status and operations of the Society, there are no relevant comments on its capital management.











**CFA Society  
Singapore**

This annual report is published by CFA  
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