

RSM Chio Lim

SPIRIT OF ENTERPRISE

(Registration No: 200301515E)

Directors' Report and Financial Statements

Year Ended 31 December 2011

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**SPIRIT OF ENTERPRISE (Registration No: 200301515E)
(INCORPORATED IN THE REPUBLIC OF SINGAPORE AS A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)**

Directors' Report and Financial Statements

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Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 December 2011.

1. Directors at Date of Report

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

Lee Soo Chye	(Appointed on 9 February 2011)
Rachel Wong Mai Kim	(Appointed on 9 February 2011)
Chan Yoke Kai	(Appointed on 9 February 2011)

2. Arrangements to Enable Directors to Acquire Benefits by Means of The Acquisition of Shares and Debentures

The company is limited by guarantee and not having a share capital. It is prohibited from issuing any shares or debentures. Accordingly there were no arrangements to enable the directors to acquire benefits by means of the acquisition of shares and debentures of the company.

Neither at the end of the reporting year nor at any time during the reporting year did there subsist any arrangement whose object is to enable the directors of the company to acquire benefits by means of the acquisition of shares or debentures in any other body corporate.

3. Directors' Interests In Shares and Debentures

This paragraph is not applicable as explained in Paragraph 2 above.

4. Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Chapter. 50, by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

5. Share Options

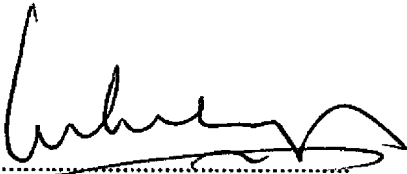
This paragraph is not applicable as explained in Paragraph 2 above.

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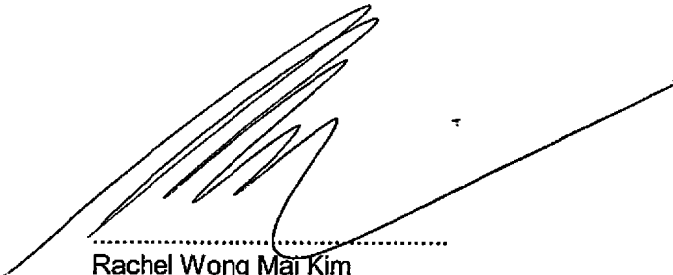
6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

On Behalf of the Directors



Lee Soo Chye
Director



Rachel Wong Mai Kim
Director

18 May 2012

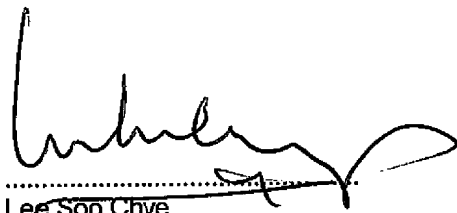
**SPIRIT OF ENTERPRISE (Registration No: 200301515E)
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Statement by Directors

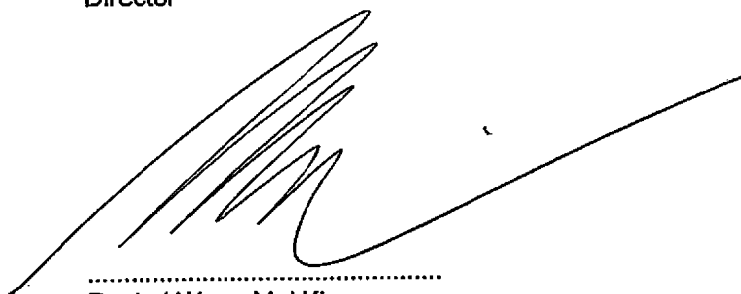
In the opinion of the directors,

- (a) the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity, statement of cash flows and notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2011 and of the results, changes in equity and cash flows of the company for the reporting year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On Behalf of the Directors



.....
Lee Soo Chye
Director



.....
Rachel Wong Mai Kim
Director

18 May 2012

RSM Chio Lim LLP
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Singapore 228095
Main: +65 6533 7600
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Independent Auditors' Report to the Member of SPIRIT OF ENTERPRISE (Registration No: 200301515E)

Report on the Financial Statements

We have audited the accompanying financial statements of Spirit of Enterprise (the "company"), which comprise the statement of financial position as at 31 December 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other and other explanatory information.

Management's Responsibility for the Financial Statements

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

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 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.

**Independent Auditors' Report to the Member of
SPIRIT OF ENTERPRISE (Registration No: 200301515E)**

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Opinion

In our opinion, the accompanying 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 the company as at 31 December 2011 and of the results, changes in equity and cash flows of the company for the reporting year ended on that date.

Report on Other Legal and Regulatory Requirements

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



RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

18 May 2012

Partner-in-charge: Chan Weng Keen

SPIRIT OF ENTERPRISE (Registration No: 200301515E)
**(INCORPORATED IN THE REPUBLIC OF SINGAPORE AS A COMPANY LIMITED BY GUARANTEE
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**Statement of Comprehensive Income
Year Ended 31 December 2011**

	<u>Notes</u>	<u>2011</u> \$	<u>2010</u> \$
Income	4	276,439	310,396
Other Credit	5	-	1,575
		<hr/>	<hr/>
		276,439	311,971
Less: Expenditure			
Accounting fee		1,400	1,650
Auditors' remuneration		4,000	3,600
Alumni launch program		-	9,492
Award ceremony – Indoor		-	61,124
– Prizes to best students		-	5,770
Bank charges		65	81
Bonus – Staff		6,000	7,500
CPF		7,298	6,605
Casual labour		4,210	5,371
Depreciation expense		857	272
Fund raising event expenses		50,299	46,426
General expenses		1,153	206
Insurance		2,238	2,278
Late payment interest		45	-
Medical expense		210	188
Postage and courier		1,702	1,258
Project expenses		25,000	-
Printing and stationery		766	1,109
Refreshments		1,767	334
Rental – Office		7,062	7,704
Salary expense		72,000	60,000
Secretarial fees		5,885	-
SOE awards		67,688	-
SOE books		42,630	-
Stamp duty		-	31
Student interview expense		11,900	9,360
Small value assets written-off		-	39
Telephone and fax		1,227	1,451
Transport		4,220	3,550
Unutilised leave		646	-
Website expense		207	50
		<hr/>	<hr/>
		320,475	235,449
(Deficit)/ Surplus Before Income Tax		(44,036)	76,522
Income Tax Expense	7	-	-
		<hr/>	<hr/>
(Deficit)/ Surplus, Net of Tax and Total Comprehensive (Loss)/ Income for the Year		(44,036)	76,522

The accompanying notes form an integral part of these financial statements.

SPIRIT OF ENTERPRISE (Registration No: 200301515E)
(INCORPORATED IN THE REPUBLIC OF SINGAPORE AS A COMPANY LIMITED BY GUARANTEE
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Statement of Financial Position
As at 31 December 2011

	<u>Notes</u>	<u>2011</u> \$	<u>2010</u> \$
ASSETS			
<u>Non-Current Assets</u>			
Plant and Equipment	8	1,485	2,174
<u>Current Assets</u>			
Trade and Other Receivables	9	1,800	3,887
Other Assets	10	721	662
Cash and Cash Equivalents	11	76,810	123,459
Total Current Assets		79,331	128,008
Total Assets		80,186	130,182
EQUITY AND LIABILITIES			
<u>Equity</u>			
Accumulated Surplus		70,639	114,675
<u>Current Liabilities</u>			
Trade Payables	12	10,177	15,507
Total Equity and Liabilities		80,186	130,182

The accompanying notes form an integral part of these financial statements.

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**Statement of Changes in Equity
Year Ended 31 December 2011**

	<u>Accumulated surplus</u> \$
Current Year:	
Opening Balance at 1 January 2011	114,675
Total Comprehensive Loss for the Year	(44,036)
Closing Balance at 31 December 2011	<u>70,639</u>
Previous Year:	
Opening Balance at 1 January 2010	38,153
Total Comprehensive Income for the Year	76,522
Closing Balance at 31 December 2010	<u>114,675</u>

The accompanying notes form an integral part of these financial statements.

SPIRIT OF ENTERPRISE (Registration No: 200301515E)
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Statement of Cash Flows
Year Ended 31 December 2011

	<u>2011</u>	<u>2010</u>
	\$	\$
<u>Cash Flows From Operating Activities</u>		
(Deficit)/ Surplus Before Income Tax	(44,036)	76,522
Depreciation Expense	857	272
Operating Cash Flows Before Changes in Working Capital	<u>(43,179)</u>	<u>76,794</u>
Trade and Other Receivables	2,087	(678)
Other Assets	(59)	(126)
Trade Payables	(5,330)	(7,387)
Operating Cash Flows (Used in)/ From Operating Activities	<u>(46,481)</u>	<u>68,603</u>
<u>Cash Flows From Investing Activities</u>		
Purchase of Plant and Equipment	(168)	(2,446)
Net Cash Flows Used in Investing Activities	<u>(168)</u>	<u>(2,446)</u>
Net (Decrease)/ Increase in Cash and Cash Equivalents	(46,649)	66,157
Cash and Cash Equivalents, Statement of Cash Flows, Beginning Balance	<u>123,459</u>	<u>57,302</u>
Cash and Cash Equivalents, Statement of Cash Flows, Ending Balance (Note 11)	<u>76,810</u>	<u>123,459</u>

The accompanying notes form an integral part of these financial statements.

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**Notes to the Financial Statements
31 December 2011**

1. General

Spirit of Enterprise (the "company") is incorporated in Singapore as a company limited by guarantee. The company is registered as a charity under the Charities Act, Chapter 37 and its registration number is 01696. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on 18 May 2012.

The principal activity of the company is to recognise and reward successful Singaporean entrepreneurs who have contributed greatly to the Singapore economy.

The registered office is: 1 Raffles Place, #43-01 OUB Centre, Singapore 048616. The principal place of business is in Singapore.

2. Summary of Significant Accounting Policies

Accounting Convention

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Singapore Companies Act, Chapter 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of Preparation of the Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this note to the financial statements, where applicable.

Revenue Recognition

The donations and sponsorships income are recognised on an accrual basis when there is written confirmation of impending donation by donor and the collectability of the donation is virtually certain. Otherwise, the donations are recognised on cash basis. Event income is recognised on cash basis.

2. Summary of Significant Accounting Policies (Cont'd)

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

Income Tax

As a charity, the company is exempted from tax on income and gains falling within section 13U(1) of the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and non-monetary balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss. The presentation is in the functional currency.

Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rate of depreciation is as follows:

Computer and office equipment – 33 $\frac{1}{3}$ %

An asset is depreciated when it is available for use until it is derecognised even if during the period the item is idle. Full depreciated assets still in use are retained in the financial statements.

2. Summary of Significant Accounting Policies (Cont'd)

Plant and Equipment (Cont'd)

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably.

Impairment of Non-Financial Assets

The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

Financial Assets

Initial recognition, measurement and derecognition:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

- #1. Financial assets at fair value through profit or loss: As at end of the reporting year, there were no financial assets classified in this category.
- #2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.
- #3. Held-to-maturity financial assets: As at end of the reporting year, there were no financial assets classified in this category.
- #4. Available for sale financial assets: As at end of the reporting year, there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances. For the statement of cash flows, the item includes cash and cash equivalents less cash subject to restriction, if any.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Liabilities

Initial recognition, measurement and derecognition:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date. Financial liabilities are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

- #1. Liabilities at fair value through profit or loss: As at end of the reporting year, there were no financial liabilities classified in this category.
- #2. Other financial liabilities: All liabilities, which have not been classified in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade payables are usually classified in this category. Items classified within current trade payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Provisions

A liability or provision is recognised when there is a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

2. Summary of Significant Accounting Policies (Cont'd)

Fair Value of Financial Instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is: the total of the fair value of the financial assets and other financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any commitments on borrowings at the end of the reporting year. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique. The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis.

Critical Judgements, Assumptions and Estimation Uncertainties

There were no critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next reporting year.

3. Related Party Relationships and Transactions

FRS 24 defines a related party as a person or an entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity; (b) An entity is related to the reporting entity if any of the following conditions applies: (i) The entity and the reporting entity are members of the same group; (ii) One entity is an associate or joint venture of a third entity and the other entity is an associate of the third entity; (iii) Both entities are joint ventures of the same third party; (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity; (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity; (vi) The entity is controlled or jointly controlled by a person identified in (a); (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.1. Key management compensation:

	<u>2011</u>	<u>2010</u>
	\$	\$
Salaries and other short-term employee benefits	<u>85,298</u>	<u>74,105</u>

The above amount is included under employee benefits expense.

Key management personnel are the directors and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly. The directors did not receive any remuneration (2010: Nil). The above amount is for a key management personnel.

4. Revenue

	<u>2011</u>	<u>2010</u>
	\$	\$
Donation income	186,525	208,513
Event income	54,086	56,360
Alumni launch program	(356)	41,293
Sale of books	36,184	4,230
	<u>276,439</u>	<u>310,396</u>

5. Other Credit

	<u>2011</u>	<u>2010</u>
	\$	\$
Government grant income from Jobs Credit Scheme	<u>-</u>	<u>1,575</u>

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**(INCORPORATED IN THE REPUBLIC OF SINGAPORE AS A COMPANY LIMITED BY GUARANTEE
AND NOT HAVING A SHARE CAPITAL)**

6. Employee Benefits Expense

	<u>2011</u>	<u>2010</u>
	\$	\$
Employee benefits expenses	78,000	67,500
Contributions to defined contribution plan	7,298	6,605
Medical fees	210	188
Utilised leave	646	-
Casual labour	4,210	5,371
Total employee benefits expenses	<u>90,364</u>	<u>79,664</u>

7. Income Tax

As a charity, the company is exempted from tax on income and gains falling within section 13U(1) of the Income Tax Act, Chapter 134 to the extent that these are applied to its charitable objects.

8. Plant and Equipment

	\$
<u>Cost:</u>	
At 1 January 2010	3,265
Additions	2,446
At 31 December 2010	<u>5,711</u>
Additions	168
At 31 December 2011	<u>5,879</u>
<u>Accumulated depreciation:</u>	
At 1 January 2010	3,265
Depreciation for the year	272
At 31 December 2010	<u>3,537</u>
Depreciation for the year	857
At 31 December 2011	<u>4,394</u>
<u>Net book value:</u>	
At 1 January 2010	-
At 31 December 2010	<u>2,174</u>
At 31 December 2011	<u>1,485</u>

9. Trade and Other Receivables

	<u>2011</u>	<u>2010</u>
	\$	\$
Trade receivables	1,800	3,824
Other receivables	-	63
Total trade and other receivables	<u>1,800</u>	<u>3,887</u>

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10. Other Assets

	<u>2011</u> \$	<u>2010</u> \$
Prepayments	<u>721</u>	<u>662</u>

11. Cash and Cash Equivalents

	<u>2011</u> \$	<u>2010</u> \$
Not restricted in use	<u>76,810</u>	<u>123,459</u>

The above balance is non-interest bearing.

12. Trade Payables

	<u>2011</u> \$	<u>2010</u> \$
Outside parties and accrued liabilities	<u>10,177</u>	<u>15,507</u>

13. Financial Instruments: Information on Financial Risks

13A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	<u>2011</u> \$	<u>2010</u> \$
<u>Financial assets:</u>		
Cash and cash equivalents	76,810	123,459
Loans and other receivables	1,800	3,887
	<u>78,610</u>	<u>127,346</u>
<u>Financial liabilities:</u>		
Trade payables at amortised cost	<u>10,177</u>	<u>15,507</u>

Further quantitative disclosures are included throughout these financial statements.

There are no significant fair value measurements recognised in the statement of financial position.

13. Financial Instruments: Information on Financial Risks (Cont'd)

13B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks and action to be taken in order to manage the financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following market practices.

There have been no changes to the exposures to risk, the objectives, policies and processes for managing the risk and the methods used to measure the risk.

13C. Fair Values of Financial Instruments Stated at Amortised Cost

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

13D. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial instruments at the end of the reporting year; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks is limited because the counter-parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the financial condition of the debtors and a loss from impairment is recognised in profit or loss. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties.

Cash and cash equivalents disclosed in Note 11 represent amount with less than 90-days maturity.

Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	<u>2011</u>	<u>2010</u>
	\$	\$
<u>Trade receivables:</u>		
Over 180 days	<u>1,800</u>	<u>1,649</u>

As at the end of reporting year, no trade receivable amounts were impaired.

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13. Financial Instruments: Information on Financial Risks (Cont'd)

13E. Liquidity Risk

The following table analyses the financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows) as at the end of the reporting year:

	<u>Less than 1 year</u>	
	<u>2011</u>	<u>2010</u>
	\$	\$
Trade payables	<u>10,177</u>	<u>15,507</u>

The above amounts disclosed in the maturity analysis are the contractual and undiscounted cash flows and such undiscounted cash flows differ from the amount included in the statement of financial position. When the counterparty has a choice of when an amount is paid, the liability is included on the basis of the earliest date on which it can be required to pay.

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2010: 30 days). In order to meet such cash commitments, the operating activities are expected to generate sufficient cash inflows.

13F. Interest Rate Risk

The company is not exposed to significant interest rate risk.

13G. Foreign Currency Risk

The company is not exposed to significant foreign currency risk as its business is primarily transacted in Singapore dollar, the functional currency of the company.

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14. Changes and Adoption of Financial Reporting Standards

For the reporting year ended 31 December 2011, the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

<u>FRS No.</u>	<u>Title</u>
FRS 1	Presentation of Financial Statements Disclosures (Amendments to)
FRS 24	Related Party Disclosures (revised)
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)
FRS 32	Classification Of Rights Issues (Amendments to) (*)
FRS 34	Interim Financial Reporting (Amendments to) (*)
FRS 103	Business Combinations (Amendments to) (*)
FRS 107	Financial Instruments: Disclosures (Amendments to)
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)
INT FRS 113	Customer Loyalty Programmes (Amendments to) (*)
INT FRS 114	Prepayments of a Minimum Funding Requirement (revised) (*)
INT FRS 115	Agreements for the Construction of Real Estate (*)
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments (*)

(*) Not relevant to the entity.

15. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 1	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income	1 July 2012
FRS 12	Deferred Tax (Amendments to) – Recovery of Underlying Assets (*)	1 January 2012
FRS 19	Employee Benefits	1 January 2013
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)	1 July 2011
FRS 27	Separate Financial Statements	1 January 2013
FRS 28	Investments in Associates and Joint Ventures (*)	1 January 2013
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)	1 July 2011
FRS 110	Consolidated Financial Statements (*)	1 January 2013
FRS 111	Joint Arrangements (*)	1 January 2013
FRS 112	Disclosure of Interests in Other Entities (*)	1 January 2013
FRS 113	Fair Value Measurements (*)	1 January 2013

(*) Not relevant to the entity.