

SPIRIT OF ENTERPRISE
(Co. Reg. No. 200301515E)
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2015

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Baker Tilly TFW LLP
Chartered Accountants of Singapore

An independent member of Baker Tilly International

SPIRIT OF ENTERPRISE

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited financial statements of the Company for the financial year ended 31 December 2015.

In the opinion of the directors:

- (i) the financial statements as set out on pages 3 to 14 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2015 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial year then ended in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards; and
- (ii) 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.

Directors

The directors in office at the date of this statement are:

Rachel Wong Mai Kim
Solomon Thomas Fernandez
Chong Mo-ai Grace

Arrangements to enable directors to acquire benefits

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

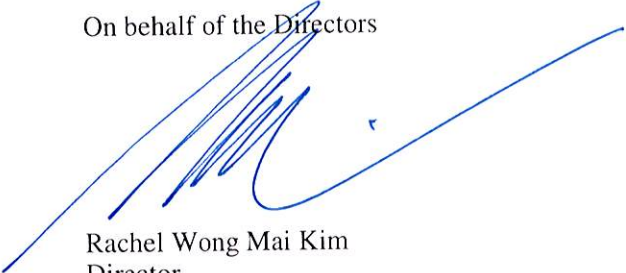
Other matters

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.


Independent auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the Directors



Rachel Wong Mai Kim
Director



Chong Mo-ai Grace
Director

10 JUN 2016



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SPIRIT OF ENTERPRISE

Report on the Financial Statements

We have audited the accompanying financial statements of Spirit of Enterprise (the "Company") set out on pages 3 to 14, which comprise the balance sheet as at 31 December 2015, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the financial year then ended, and a summary of significant accounting policies 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 (the "Companies Act"), the Singapore Charities Act, Chapter 37 (the "Charities 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 financial statements 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 of the Company are properly drawn up in accordance with the provisions of the Companies Act, Charities Act and Singapore Financial Reporting Standards so as to give a true and fair view of the financial position of the Company as at 31 December 2015 and the financial performance, changes in accumulated fund and cash flows of the Company for the financial year ended on that date.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPIRIT OF ENTERPRISE**

Report on the Financial Statements (cont'd)

Other Matter

The financial statements of the Company for the financial year ended 31 December 2014 were audited by another auditor whose report dated 20 July 2015 expressed an unmodified opinion on those financial statements.

Report on Other Legal and Regulatory Requirements

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

During the course of our audit, nothing has come to our attention that causes us to believe that during the financial year:

- (i) the use of the donation moneys was not in accordance with the objectives of the Company as required under regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) the Company has not complied with the requirements of regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

Baker Tilly

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

10 June 2016

SPIRIT OF ENTERPRISE

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2015

	Note	2015 \$	2014 \$
Income			
Donations	3	70,000	101,800
Income from fund-raising activities - golf	3	141,433	106,564
Other income		161,771	230,088
		<hr/>	
		373,204	438,452
Expenditure			
Fund-raising expenses - golf		(70,394)	(69,579)
Other operating and administration expenses	4	(312,853)	(340,060)
Allowance for doubtful debts		–	(24,035)
		<hr/>	
Net (deficit)/surplus and total comprehensive (loss)/income for the year		(10,043)	4,778
		<hr/>	

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

SPIRIT OF ENTERPRISE

BALANCE SHEET

At 31 December 2015

	Note	2015 \$	2014 \$
Non-current asset			
Plant and equipment	5	–	–
		<hr/>	<hr/>
Current assets			
Trade and other receivables	6	13,433	52,023
Cash and cash equivalents		221,885	160,374
		<hr/>	<hr/>
		235,318	212,397
		<hr/>	<hr/>
Total assets		235,318	212,397
		<hr/>	<hr/>
Current liability			
Trade and other payables	7	76,880	43,916
		<hr/>	<hr/>
Net assets		158,438	168,481
		<hr/>	<hr/>
Accumulated Fund		158,438	168,481
		<hr/>	<hr/>

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

SPIRIT OF ENTERPRISE

**STATEMENT OF CHANGES IN ACCUMULATED FUND
For the financial year ended 31 December 2015**

	\$
Balance at 1 January 2014	163,703
Net surplus and total comprehensive income for the year	4,778
Balance at 31 December 2014	<u>168,481</u>
Net deficit and total comprehensive loss for the year	(10,043)
Balance at 31 December 2015	<u>158,438</u>

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

SPIRIT OF ENTERPRISE

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2015

	2015 \$	2014 \$
Cash flows from operating activities (Deficit)/surplus for the financial year	(10,043)	4,778
Adjustment for depreciation	–	14
Operating (deficit)/surplus before working capital changes	(10,043)	4,792
Receivables	38,590	2,274
Payables	32,964	18,206
Net cash from operating activities	61,511	25,272
Net increase in cash and cash equivalents	61,511	25,272
Cash and cash equivalents at beginning of year	160,374	135,102
Cash and cash equivalents at end of year	221,885	160,374

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

SPIRIT OF ENTERPRISE

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2015

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

1 Corporate information

The Company (Co. Reg. No. 200301515E) is incorporated and domiciled in Singapore. The registered office and principal place of operations is at 1003 Bukit Merah Central, #02-10, Inno.Centre, Singapore 068896.

The principal activities of the Company is to recognise and reward successful Singaporean entrepreneurs who contributed greatly to the Singapore economy.

The Company is limited by its members' guarantee to contribute to the assets of the Company up to \$10 each member in the event of it being wound up.

2 Significant accounting policies

(a) Basis of preparation

The financial statements, expressed in Singapore dollar (“\$”) which is the Company’s functional currency, have been prepared in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards (“FRS”). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgment in the process of applying the Company’s accounting policies. It also requires the use of accounting 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 income and expenditure during the financial year. These estimates and assumptions are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances. There were no significant judgments and estimates made during the financial year.

In the current financial year, the Company has adopted all the new and revised FRS and Interpretations of FRS (“INT FRS”) that are relevant to its operations and effective for the current financial year. The adoption of these new and revised FRS and INT FRS did not have any material effect on the financial statements.

New standards, amendments to standards and interpretations that have been issued at the balance sheet date but are not yet effective for the financial year ended 31 December 2015 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Company.

2 Significant accounting policies (cont'd)

(b) Financial assets

The Company's only financial assets are "loans and receivables" which comprise trade and other receivables ("excluding prepayments") and cash and cash equivalents.

Loans and receivables are measured at initial recognition at fair value, and are subsequently measured at amortised cost using the effective interest method less impairment. The Company assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired. When such evidence exists, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in income or expenditure. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. When a trade receivable is uncollectible, it is written off against the allowance account for trade receivables. Subsequent recoveries of amounts previously written off are credited in income or expenditure.

(c) Financial liabilities

Financial liabilities, which comprise trade and other payables. Financial liabilities are recognised on the balance sheet and only when the Company becomes a party to the contractual provisions of the financial instruments. Financial liabilities are initially recognised at fair value plus directly attributable transaction costs, and subsequently measured at amortised cost, using the effective interest method.

(d) Income taxes

The Division is a registered charity under the Singapore Charities Act and is exempted from income tax.

(e) Income recognition

Income comprises the fair value of the consideration received or receivable for the rendering of services, net of goods and services tax, rebates and discounts. Income is recognised to the extent that it is probable that the economic benefits will flow to the Company and the amount can be reliably measured.

Donation 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. Income from fund raising is recognised when the special event takes place.

(f) Provisions for other liabilities

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the balance sheet date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2 Significant accounting policies (cont'd)

(g) Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value, bank overdrafts that form an integral part of the Group's cash management, other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and excludes pledged deposits. Bank overdrafts are presented as current borrowings on the balance sheet.

(h) Plant and equipment

Plant and equipment are initially recorded at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

The cost of plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Dismantlement, removal or restoration costs are included as part of the depreciable amount of plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Depreciation is calculated on a straight-line basis to write off the depreciable amount of plant and equipment over their expected useful lives. The estimated useful lives are as follows:

	Years
Computer and office equipment	3

On disposal of a plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to profit or loss.

The residual values, estimated useful lives and depreciation method of plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in profit or loss when the changes arise.

Fully depreciated assets are retained in the financial statements until they are no longer in use.

3 Donations

During the financial year, the Company issued tax deductible receipts for donations collected of \$85,000 (2014: Nil). Included in the amount is deferred income of \$65,000 (2014: Nil) (Note 7).

During the financial year, the Company issued tax deductible receipts for income from fund-raising activities - golf of \$5,000 (2014: Nil).

4 Other operating and administration expenses

The major components include the followings:

	2015	2014
	\$	\$
SOE dinner	133,769	161,607
Secretarial fee	76,818	77,262
SOE books	63,364	65,000
	<hr/>	<hr/>

5 Plant and equipment

	Computers \$	Office equipment \$	Total \$
2015			
Cost			
At 1 January 2015 / 31 December 2015	5,282	597	5,879
<hr/>			
Accumulated depreciation			
At 1 January 2015 / 31 December 2015	5,282	597	5,879
<hr/>			
Net carrying value			
At 31 December 2015	-	-	-
<hr/>			
2014			
Cost			
At 1 January 2014 / 31 December 2014	5,282	597	5,879
<hr/>			
Accumulated depreciation			
At 1 January 2014	5,268	597	5,865
Depreciation charge for the year	14	-	14
At 31 December 2014	5,282	597	5,879
<hr/>			
Net carrying value			
At 31 December 2014	-	-	-
<hr/>			

6 Trade and other receivables

	2015 \$	2014 \$
Trade receivables	16,835	72,335
Less: allowance for doubtful debts	(8,435)	(24,035)
	<hr/>	<hr/>
Other receivables	8,400	48,300
Prepayments	4,391	2,628
	642	1,095
	<hr/>	<hr/>
	13,433	52,023
	<hr/>	<hr/>

6 Trade and other receivables (cont'd)

Movements in the allowance for doubtful receivables are as follows:

	2015	2014
	\$	\$
Balance at 1 January	24,035	–
Allowance made	–	24,035
Bad debts written off	(10,600)	–
Write back of allowance for doubtful receivables	(5,000)	–
	<hr/>	<hr/>
Balance at 31 December	8,435	24,035
	<hr/>	<hr/>

7 Trade and other payables

	2015	2014
	\$	\$
Trade payables	11,880	43,916
Deferred income	65,000	–
	<hr/>	<hr/>
	76,880	43,916
	<hr/>	<hr/>

8 Financial instruments**a) Categories of financial instruments**

Financial instruments at their carrying amounts at the balance sheet date are as follows:

	2015	2014
	\$	\$
Financial assets		
Loans and receivables (including cash and cash equivalents)	234,676	211,302
	<hr/>	<hr/>
Financial liabilities		
At amortised cost	11,880	43,916
	<hr/>	<hr/>

b) Financial risk management

The Company's overall risk management is determined and carried out by the board of directors on an informal basis.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. For trade receivables, the Company adopts the policy of dealing with customers of appropriate credit history. The Company monitors its exposure to credit risks arising from rental and licence fee from tenants on an ongoing basis.

The Company has no significant concentration of credit risk. The carrying amounts of trade and other receivables, and cash placed with banks represent the Company's maximum exposure to credit risk.

8 Financial instruments (cont'd)

b) Financial risk management (cont'd)

Credit risk (cont'd)

Financial assets that are neither past due nor impaired

Receivables that are neither past due nor impaired are substantially tenants with good collection track record with the Company. Cash and cash equivalents that are neither past due nor impaired are placed with reputable financial institutions with high credit ratings and no history of default.

Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The trade receivables that are past due and/or impaired are as follows:

	2015	2014
	\$	\$
Past due but not impaired	8,400	18,300

The age analysis of trade receivables that are past due but not impaired are as follows:

	2015	2014
	\$	\$
Past due 31 to 60 days	500	–
Past due 61 days and over	7,900	18,300
	8,400	18,300

Foreign exchange risk

The Company has no significant exposure to foreign exchange risk as all of its financial assets and financial liabilities are denominated in Singapore dollars.

Interest rate risk

The Company's income and operating cash flows are substantially independent of changes in market interest rates as it does not have significant variable-rate interest bearing assets or liabilities.

Liquidity and cash flow risk

The board of directors exercises prudent liquidity and cash flow risk management policies and aims at maintaining an adequate level of liquidity and cash flow at all times.

9 Fair values

The carrying amounts of the assets and liabilities recorded in the financial statements of the Company approximate their fair values.

10 Fund management

The Company's objectives when managing its funds are to safeguard and maintain adequate working capital to continue as a going concern. The directors consider the accumulated fund as the capital of the Company and no changes were made to the Company's fund management objectives during the financial years ended 31 December 2015 and 31 December 2014.

11 Comparative figures

The financial statements of the Company for the financial year ended 31 December 2014 was audited by another firm of auditors whose report date 20 July 2015 expressed an unmodified opinion on those financial statements.

12 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2015 were authorised for issue in accordance with a resolution of the board of directors dated 10 June 2016.