

SPIRIT OF ENTERPRISE
(Co. Reg. No. 200301515E)

FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2016

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BAKER TILLY
TFW

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 2016.

In the opinion of the directors:

- (i) the financial statements as set out on pages 5 to 15 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2016 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 Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore; 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
Sa'at Bin Ismail (Appointed on 1 January 2017)

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.

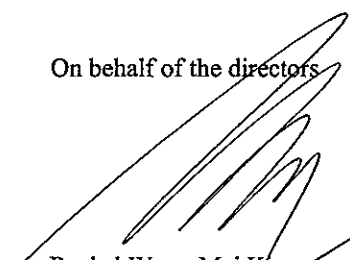
Other matters

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



Sa'at Bin Ismail
Director

15 JUN 2017



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

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Spirit of Enterprise (the "Company") as set out on pages 5 to 15, which comprise the balance sheet as at 31 December 2016, and the statement of profit or loss and other comprehensive income, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act"), the Charities Act, Chapter 37 and other relevant regulations (the "Charities Act and Regulations") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Company as at 31 December 2016 and of the financial performance, changes in accumulated fund and cash flows of the Company for the year ended on that date.

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the Directors' Statement as set out on page 1 but does not include the financial statements and our auditor's report thereon.

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

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

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPIRIT OF ENTERPRISE (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

Responsibilities of Management and Directors 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 Act, the Charities Act and Regulations and FRSs, 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.

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

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SPIRIT OF ENTERPRISE (cont'd)**

Report on the Audit of the Financial Statements (cont'd)

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

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

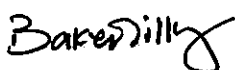
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

In our opinion, 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,

- (i) nothing has come to our attention that causes us to believe that during the financial year that the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (ii) it has come to our attention that 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 TFW LLP
Public Accountants and
Chartered Accountants
Singapore

15 June 2017

SPIRIT OF ENTERPRISE**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**
For the financial year ended 31 December 2016

	Note	2016 \$	2015 \$
Income			
Donations	3	54,347	70,000
Income from fund-raising activities - golf	3	92,916	141,433
Other income		189,579	161,771
		<hr/>	<hr/>
		336,842	373,204
Expenditure			
Fund-raising expenses - golf		(70,107)	(70,394)
Other operating and administration expenses	4	(240,379)	(312,853)
		<hr/>	<hr/>
Net surplus/(deficit) and total comprehensive income/(loss) for the year		26,356	(10,043)

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

SPIRIT OF ENTERPRISE**BALANCE SHEET**

At 31 December 2016

	Note	2016 \$	2015 \$
Non-current asset			
Plant and equipment	5	339	--
		<hr/>	
Current assets			
Trade and other receivables	6	10,350	13,433
Cash and cash equivalents		185,646	221,885
		<hr/>	
		195,996	235,318
		<hr/>	
Total assets		196,335	235,318
		<hr/>	
Current liabilities			
Trade and other payables	7	11,541	11,880
Deferred income		--	65,000
		<hr/>	
		11,541	76,880
		<hr/>	
Net assets		184,794	158,438
		<hr/>	
Accumulated Fund		184,794	158,438
		<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 2016

	\$
Balance at 1 January 2015	168,481
Net deficit and total comprehensive loss for the year	(10,043)
Balance at 31 December 2015	<u>158,438</u>
Net surplus and total comprehensive income for the year	26,356
Balance at 31 December 2016	<u>184,794</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 2016**

	2016 \$	2015 \$
Cash flows from operating activities		
Surplus/(deficit) for the year	26,356	(10,043)
Adjustment for:		
Depreciation on plant and equipment	20	-
Operating surplus/(deficit) before working capital changes	26,376	(10,043)
Receivables	3,083	38,590
Payables	(65,339)	32,964
Net cash (used in)/from operating activities	(35,880)	61,511
Cash flows from investing activity		
Purchase of plant and equipment, represents net cash from investing activity	359	-
Net (decrease)/increase in cash and cash equivalents	(36,239)	61,511
Cash and cash equivalents at beginning of the year	221,885	160,374
Cash and cash equivalents at end of the year	185,646	221,885

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 2016

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 Companies Act, Chapter 50, the Charities Act, Chapter 37 and other relevant regulations and Financial Reporting Standards in Singapore (“FRSs”). 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 FRSs requires the use of 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 financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant judgements made in applying accounting policies and no estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

The carrying amounts of trade and other receivables, cash and cash equivalents and trade and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

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

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 2016 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 prepayment") and cash and cash equivalents on the balance sheet.

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 profit or loss.

(c) Financial liabilities

Financial liabilities, which comprise trade and other payables. Financial liabilities are recognised on the balance sheet when, 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.

A financial liability is derecognised when the obligation under the liability is extinguished. Gains and losses are recognised in profit or loss when the liabilities are derecognised and through the amortisation process.

(d) Income taxes

The Company is registered as a charity under the Charities Act and is exempted from income tax under the provisions of the Income Tax Act, Chapter 134.

(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 fund raising event takes place.

(f) Provisions for other liabilities

Provisions are recognised when the Company 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 and deposits with financial institutions which are subject to an insignificant risk of change in value.

(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 \$147,424 (2015: \$85,000).

During the financial year, the Company issued tax deductible receipts for income from fund-raising activities - golf of \$86,516(2015: \$5,000).

4 Other operating and administration expenses

The major components include the followings:

	2016	2015
	\$	\$
SOE dinner	124,238	133,769
Secretarial fee	77,040	76,818
SOE books	-	63,364
SOE SEP	13,190	-
SOE SIP	13,196	-
SOE Talk 2016	1,136	-

5 Plant and equipment

	Computers \$	Office equipment \$	Total \$
2016			
Cost			
At 1 January 2016	5,282	597	5,879
Additions	–	359	359
At 31 December 2016	5,282	956	6,238
Accumulated depreciation			
At 1 January 2016	5,282	597	5,879
Depreciation charge	–	20	20
At 31 December 2016	5,282	617	5,899
Net carrying value			
At 31 December 2016	–	339	339
2015			
Cost			
At 1 January 2015 and 31 December 2015	5,282	597	5,879
Accumulated depreciation			
At 1 January 2015 and 31 December 2015	5,282	597	5,879
Net carrying value			
At 31 December 2015	–	–	–

6 Trade and other receivables

	2016 \$	2015 \$
Trade receivables	10,315	16,835
Less: allowance for doubtful receivables	(8,435)	(8,435)
Other receivables	1,880	8,400
Prepayments	7,828	4,391
	642	642
	10,350	13,433

6 Trade and other receivables (cont'd)

Movements in the allowance for doubtful receivables are as follows:

	2016	2015
	\$	\$
Balance at 1 January	8,435	24,035
Bad debts written off	–	(10,600)
Write back of allowance for doubtful receivables	–	(5,000)
Balance at 31 December	<u>8,435</u>	<u>8,435</u>

7 Trade and other payables

	2016	2015
	\$	\$
Trade payables	3,021	139
Other payables	2,506	200
Accrued expenses	6,014	11,541
	<u>11,541</u>	<u>11,880</u>

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

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

	2016	2015
	\$	\$
<i>Financial assets</i>		
Loans and receivables (including cash and cash equivalents)	195,354	234,676
<i>Financial liabilities</i>		
At amortised cost	<u>11,541</u>	<u>11,880</u>

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:

	2016	2015
	\$	\$
Past due but not impaired	1,880	8,400

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

	2016	2015
	\$	\$
Past due 31 to 60 days	500	500
Past due over 60 days	1,380	7,900
	1,880	8,400

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 dollar.

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 2016 and 31 December 2015.

11 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2016 were authorised for issue in accordance with a resolution of the board of directors dated 15 June 2017.