

SPIRIT OF ENTERPRISE
(Co. Reg. No. 200301515E)
FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023

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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 2023.

In the opinion of the directors:

- (i) the financial statements of the Company as set out on pages 5 to 13 are drawn up so as to give a true and fair view of the financial position of the Company at 31 December 2023 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 1967, the Charities Act 1994 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
Sa'at Bin Ismail
Mohamed Ismail S/O Abdul Gafoore

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

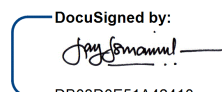
As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

Independent auditor

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

On behalf of the directors


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Rachel Wong Mai Kim
Director


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Mohamed Ismail S/O Abdul Gafoore
Director

31 May 2024



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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 13, which comprise the balance sheet as at 31 December 2023, and the statement of comprehensive income, statement of changes in accumulated fund and statement of cash flows for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act"), the Charities Act 1994 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 2023 and of the financial performance, changes in accumulated fund and cash flows of the Company for the financial 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 information included in 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 to be kept by the Company have been properly kept in accordance with the provisions of the Companies Act and the Charities Act and Regulations.

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

- (i) 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) the Company has not complied with the requirements of Regulation 15 (Fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

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Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

31 May 2024

SPIRIT OF ENTERPRISE**STATEMENT OF COMPREHENSIVE INCOME**
For the financial year ended 31 December 2023

	Note	2023 \$	2022 \$
Income			
Donations	3	157,750	181,500
Income from fund-raising activities - golf	3	155,117	168,662
Income from award dinner		110,458	205,489
Income from networking night		–	4,430
Book income		44,750	55,500
Training income		31,680	–
Other income	4	7,356	9,065
		507,111	624,646
Expenditure			
Other operating and administration expenses	5	(449,494)	(576,096)
Net surplus and total comprehensive income for the financial year		57,617	48,550

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

SPIRIT OF ENTERPRISE**BALANCE SHEET
At 31 December 2023**

	Note	2023 \$	2022 \$
Non-current asset			
Plant and equipment	6	1,310	1,069
		<hr/>	
Current assets			
Other receivables	7	49,804	4,928
Cash and cash equivalents	8	742,913	732,713
		<hr/>	
		792,717	737,641
		<hr/>	
Total assets		794,027	738,710
		<hr/>	
Current liability			
Other payables	9	11,700	14,000
		<hr/>	
Net assets		782,327	724,710
		<hr/>	
Accumulated fund		782,327	724,710
		<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 2023**

	\$
Balance at 1 January 2022	676,160
Net surplus and total comprehensive income for the financial year	48,550
Balance at 31 December 2022	<u>724,710</u>
Net surplus and total comprehensive income for the financial year	57,617
Balance at 31 December 2023	<u>782,327</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 2023

	Note	2023 \$	2022 \$
Cash flows from operating activities			
Surplus for the financial year		57,617	48,550
Adjustment for:			
Interest income - fixed deposits	4	(5,303)	–
Depreciation on plant and equipment	6	1,385	1,167
Operating surplus before working capital changes		53,699	49,717
Receivables		(39,573)	(2,968)
Payables		(2,300)	4,343
Net cash generated from operating activities		11,826	51,092
Cash flows from investing activity			
Purchase of plant and equipment	6	(1,626)	–
Net increase in cash and cash equivalents		10,200	51,092
Cash and cash equivalents at beginning of the financial year		732,713	681,621
Cash and cash equivalents at end of the financial year	8	742,913	732,713

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 2023

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 17 Kaki Bukit Industrial Terrace, Singapore 416098.

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. The Company is an approved Institution of a Public Character.

2 Material 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 1967, the Charities Act 1994 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 period. 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.

Use of estimates and judgements

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 other receivables (excluding prepayments), cash and cash equivalents and other payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

New and revised standards that are adopted

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. Changes to the Company’s accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs and INT FRSs.

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2 Material accounting policies (cont'd)

a) Basis of preparation (cont'd)

New and revised standards that are adopted (cont'd)

The adoption of these new and revised FRSs and INT FRSs did not have any material effect on the financial results or position of the Company except as disclosed below:

Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies

The amendments to FRS 1 and FRS Practice Statement 2 *Making Materiality Judgements* provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments require entities to disclose their material accounting policies rather than their significant accounting policies, and provide guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Company has adopted the amendments to FRS 1 on disclosures of accounting policies. The amendments have no impact on the measurement, recognition and presentation of any items in the Company's financial statements.

New and revised standards not yet effective

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 2023 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.

b) Income recognition

Income is recognised to the extent that it is probable that the economic benefits associated with the transaction will flow to the Company, and the amount of income and related expenditure can be reliably measured.

Donations and sponsorship	-	when received
Fund-raising income/ award dinner/ networking night/ training income	-	upon completion of the event held
Book income	-	recognised at a point in time when the goods are delivered to customers
Interest income	-	recognised on a time proportion basis using the effective interest rate method

c) 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.

3 Donations and income from fund-raising activities

During the financial year, the Company issued tax deductible receipts for donations collected of \$157,750 (2022: \$181,500).

During the financial year, the Company issued tax deductible receipts for income from fund-raising activities - golf of \$155,117 (2022: \$168,662).

Spirit of Enterprise

4 Other income

	2023	2022
	\$	\$
Government grant income	2,053	1,748
Interest income - fixed deposits	5,303	–
Others	–	7,317
	7,356	9,065

5 Other operating and administration expenses

The major components include the following:

	2023	2022
	\$	\$
Spirit of Enterprise (“SOE”) Student Entrepreneur Programme	–	6,925
SOE Student Interviewer Programme	9,100	5,900
SOE Networking Night	58,668	5,640
SOE Dinner	156,403	296,026
SOE Books	55,080	54,790
SOE Golf	53,399	101,130
Accounting fees	7,800	6,600
Staff costs	78,000	72,583
Contributions to Central Provident Fund	13,260	12,339

6 Plant and equipment

	Computers	
	2023	2022
	\$	\$
Cost		
At 1 January	4,998	4,998
Additions	1,626	–
At 31 December	6,624	4,998
Accumulated depreciation		
At 1 January	3,929	2,762
Depreciation charge	1,385	1,167
At 31 December	5,314	3,929
Net carrying value		
At 31 December	1,310	1,069

Spirit of Enterprise

7 Other receivables

	2023	2022
	\$	\$
Prepayments	44,501	2,018
Interest receivable	5,303	–
Others	–	2,910
	49,804	4,928

8 Cash and cash equivalents

	2023	2022
	\$	\$
Cash at bank	242,913	732,713
Fixed deposits	500,000	–
	742,913	732,713

The fixed deposits earn interest at rates ranging from 3.85% to 4.05% per annum and have a maturity period of 6 to 24 months which are not held for investment purposes but are placed to have better yield returns than cash at bank. These fixed deposits are readily convertible to cash to meet the Company's cash commitments in the short term, if required.

9 Other payables

	2023	2022
	\$	\$
Other payables	9,400	11,700
Accrued expenses	2,300	2,300
	11,700	14,000

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

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

	2023	2022
	\$	\$
<i>Financial assets</i>		
Financial assets at amortised costs	748,216	735,623
<i>Financial liabilities</i>		
Financial liabilities at amortised cost	11,700	14,000

Spirit of Enterprise

10 Financial instruments (cont'd)

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.

Credit risk exposure in relation to cash and cash equivalents, and other receivables (excluding prepayments) as at 31 December 2023 and 31 December 2022 are insignificant as the majority of the Company's financial assets are cash and cash equivalents which are placed in banks with good credit rating. Accordingly, no credit loss allowance is recognised as at 31 December 2023 and 31 December 2022.

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 the 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.

11. Fair value of financial assets and financial liabilities

The board of directors considers that the carrying amounts of the Company's financial assets and financial liabilities approximate their respective fair values as at the end of the reporting period.

12 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 board of directors considers 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 2023 and 31 December 2022.

13 Authorisation of financial statements

The financial statements of the Company for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the board of directors dated 31 May 2024.