BINJAItree

Annual Report 2010

Contents

CHAIRMAN'S MESSAGE

To draw an analogy from Mother Nature, our first year was a season of sowing and in our second year, it was a time for bearing fruit. BinjaiTree has continued purposefully to collaborate with institutions associated with our priority projects. The evidence of the fruit is borne forth in our contributions to many causes to help the less fortunate. In 2010, we made cash donations and grants exceeding $530,000 to many organisations.

Mental Health

In mental health, the role of the caregiver in the healing process is crucial. With this in mind, we have partnered Caregivers Association of Mentally Ill (CAMI) and the Singapore Anglican Church Services (SACS) to provide support and services to caregivers and the mentally ill. Our commitment is to fund the program with CAMI making available relevant expertise and SACS providing facilities and other support.

Shared Services for Charity

We continued to provide leadership and direction to Shared Services for Charities Limited (SSC), a charity established to service other charities in meeting the challenges of governance standards and compliance observances. SSC has grown from strength to strength, expanding from only 2 clients in the previous year, to 8 in 2010 and is assisting more than 20 charities in 2011. BinjaiTree's commitment is to support SSC in its formative years until it is self-sustaining.

Arts

Our collaboration with the National Art Council and Singapore Art Museum to showcase the talents of Singaporean and Asian artists is on course with an inaugural contemporary art competition/exhibition to be held in 2013. We are committed to fund the competition together with the NAC.

General Giving

Whilst our focus is in the areas outlined above, we also support other worthy causes. The general giving made in 2010 supporting a wide spectrum of charities exceeded the funding provided to the three priority projects mentioned above.

Conclusion

BinjaiTree recognises that much effort is still needed in its projects in the Arts, Mental Health and Corporate Governance of Charities. It is even harder to give purposefully to our projects than to give widely to a variety of causes that approach us. To this end, we will spare no effort to meet the challenges in each priority area and strive to achieve more in the period ahead.

We welcome Gracie Tan and Isaiah Paul Das as Board member and Associate Director respectively. We look forward to their active participation in our mission.

I wish to express my gratitude to the members of the Board and friends of BinjaiTree for their continuing support and their shared commitment to our vision and efforts.

Hsieh Fu Hua
Chairman
13 June 2011

CORPORATE INFORMATION

Board of Directors

Mr. Hsieh Fu Hua	Founder & Chairman
Ms. Chau Angela	Director (appointed on 13 January 2010)
Mr. Hong Chin Fock, Damian	Director
Mr. Ng Heok Seng, Benjamin	Director
Ms. Tan Ai Neo, Gracie	Director (appointed on 1 November 2010)

Other Information

Company registration number	200818724G
Incorporation date	23 September 2008
Registered Address	177 River Valley Road
	#05-20 Liang Court Shopping Centre
	Singapore 179030
Charity registration	1 November 2008
Institution of a Public Character	IPC000646
Company Secretaries	Ms Chan Lai Yin
	Mr Teo Meng Keong
Banker	DBS Bank Limited
Auditors	C.C. Yang & Co.

MISSION & GUIDING PRINCIPLES

Mission

BinjaiTree is committed to improving our evolving community. We support individuals and organizations in select areas of need through our grants and active collaboration drawing on our network of partners.

Grant-making Priorities

- Mental Health
- Shared Services for Charities
- Arts

Guiding Principles

We follow the guiding principles under the mantle of an outstanding leadership team. This defines our approach to our philanthropic work and directs our strategies and grant making. While many of them are fundamental to our operations, we remain open to amending them as we grow.

- Philanthropy plays an important but limited role
- We are granters and shapers – we provide the opportunity for others to act and implement
- We take measured risks and move with urgency
- We take the long-term view in our approach
- We advocate vigorously but responsibly in our areas of focus
- We treat our grantees as valued partners
- It is of utmost importance to deliver results with the resources we have been given
- We take a firm stance in good governance

FINANCIAL INFORMATION

BINJAITREE
(Incorporated in the Republic of Singapore)
(A Public Company Limited by Guarantee)
Co. Reg. No. [illegible]

REPORT OF THE DIRECTORS

The directors are pleased to present their report to the member together with the audited financial statements of the Company for the financial year ended 31 December 2010.

The directors of the Company in office at the date of this report are as follows:

Mr Hsieh Fu Hua
Mr Ng Heok Seng Benjamin
Mr Hong Chin Fock
Ms Angela Chan
Ms Tan Ai Nee Gracie

Under Article 8 of its Memorandum of Association, the member of the company guarantees to contribute a sum not exceeding $1 to the assets of the Company in the event of it being wound up. The member of the Company is Mr Hsieh Fu Hua.

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement to which the Company is a party, being arrangements 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, the Company or any other body corporate.

DIRECTORS' CONTRACTUAL BENEFITS

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit 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.

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.

AUDITORS

The auditors, C. C. Yang & Co., have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors

....
Hsieh Fu Hua

....
Hong Chin Fock

13 June 2011

BINJAITREE
(Incorporated in the Republic of Singapore)
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STATEMENT BY DIRECTORS

In the opinion of the directors,

(i) the accompanying statement of financial position, statement of financial activities, statement of changes in funds and reserve, and statement of cash flows together with notes thereto are drawn up in accordance with 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 2010 and of the results, changes in funds and reserve and cash flows of the Company for the financial year on that date; 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.

On behalf of the Board of Directors

....
Hsieh Fu Hua

....
Hung Chin Fook

13 June 2011

楊慶朝會計師公司
新加坡特許會計師

C. C. YANG & CO. Certified Public Accountants

YANG CHING CHAO, FCPA
PHYLLIS TAN [illegible], CPA
[illegible], CPA

10 ANSON ROAD # 13-16
INTERNATIONAL PLAZA
SINGAPORE 079903
TEL: 6225 0988
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INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF
BINJAITREE
(Incorporated in the Republic of Singapore)
(A Public Company Limited by Guarantee)
Co. Reg. No. [illegible]

Report on the Financial Statements
We have audited the accompanying financial statements of Binjaitree, which comprise the statement of financial position as at 31 December 2010, and the statement of financial activities, statement of changes in funds and reserve and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 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 financial activities and statement of financial position and to maintain accountability of assets.

Auditors' 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 judgement, 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 the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company as at 31 December 2010 and the results, changes in funds and reserve and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

During the course of our audit, nothing came to our attention that caused us to believe that the Company did not comply with the requirements of Regulation 15(1) of the Charities Act (Chapter 37) Charities (Institutions of a Public Character) (Amendment) Regulations 2008 which states that the total relevant fund-raising and sponsorship expenses for the financial period should not exceed 30% of the total relevant gross receipts from fund-raising and sponsorships for that period.

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.

C. C. Z

C.C. YANG & CO
PUBLIC ACCOUNTANTS AND
CERTIFIED PUBLIC ACCOUNTANTS

SINGAPORE
13 June 2011

BINJAITREE
(Incorporated in the Republic of Singapore)
(A Public Company Limited by Guarantee)
Co. Reg. No. 200818724G

STATEMENT OF FINANCIAL ACTIVITIES
FOR THE YEAR ENDED 31 DECEMBER 2010
(Expressed in Singapore Dollars)

	Note	Unrestricted Funds General Fund 2010 $	Period from 23.9.2008 to 31.12.2009 $
Incoming Resources			
Voluntary Income	4	-	10,112,920
Dividends from Quoted Securities		322,686	262,500
Interest Income		201	67
Gain on disposal of Quoted Securities		504,791	-
Total Incoming Resources		827,678	10,375,487
Resources Expended			
Depreciation	7	269	-
Refund to donor on non-tax exempt donation received in previous year		243,925	-
Professional Fees		9,359	38,064
Programme Expenses		-	383
Other Expenses		2,280	2,466
Grants	5	130,000	70,000
Donations to Charitable Organizations	6	404,573	471,000
Donations in kinds		2,984	-
Total Resources Expended		793,304	581,913
Surplus for the Period		34,374	9,793,574
Total Fund at Beginning of the year		9,793,574	-
Total Fund at end of the year		9,827,948	9,793,574

The accompanying notes form an integral part of these financial statements

BINJAITREE
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STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2010
(Expressed in Singapore Dollars)

	Note	2010 $	2009 $
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7	2,149	-
Investment Securities	8	10,109,118	8,330,000
Total Non-Current Assets		10,111,267	8,330,000
Current Assets			
Cash at Bank		2,716,147	4,450,574
Total Current Assets		2,716,147	4,450,574
Total Assets		12,827,414	12,780,574
Unrestricted Funds			
General Fund		9,827,948	9,793,574
Fair Value Adjustment Reserve	9	2,997,326	2,985,000
Total Funds		12,825,274	12,778,574
Current Liabilities			
Accruals		2,140	2,000
Total Current Liabilities		2,140	2,000
Total Funds and Liabilities		12,827,414	12,780,574

The accompanying notes form an integral part of these financial statements

BINJAITREE
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STATEMENT OF CHANGES IN FUNDS AND RESERVE
FOR THE YEAR ENDED 31 DECEMBER 2010
(Expressed in Singapore Dollars)

	Unrestricted Funds		
	General Fund	Fair Value Adjustment Reserve	Total
	$	$	$
At 23/09/2008	-	-	-
Change in Fair Value of Investment Securities	-	2,985,000	2,985,000
Surplus for the Period	9,793,574	-	9,793,574
At 31/12/2009	9,793,574	2,985,000	12,778,574
Change in Fair Value of Investment Securities	-	12,326	12,326
Surplus for the Period	34,374	-	34,374
At 31/12/2010	9,827,948	2,997,326	12,825,274

The accompanying notes form an integral part of these financial statements

BINJAITREE
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STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 DECEMBER 2010

(Expressed in Singapore Dollars)

	Note	2010 $	Period from 23.9.2008 to 31.12.2009 $
Cash Flows From Operating Activities			
Surplus Before Income Tax		34,374	9,793,574
Adjustments for:			
Depreciation		269	-
Dividend Income		(322,686)	(262,500)
Interest Income		(201)	(67)
Investment Securities Received In Kind from the Founder		-	(5,345,000)
Gain on Disposal of Quoted Securities		(504,791)	-
Operating Surplus (Deficit) Before Operations Working Capital Changes		(793,035)	4,186,007
Increase in Accruals		140	2,000
Cash Flows From Operations		(792,895)	4,188,007
Interest Received		201	67
Net Cash Flows From (Used In) Operating Activities		(792,694)	4,188,074
Cash Flows From Investing Activities			
Dividend Income Received		322,686	262,500
Purchase of Quoted Securities		(2,702,237)	-
Purchase of Property, Plant and Equipment		(2,418)	-
Proceeds from Sales of Quoted Securities		1,440,236	-
Net Cash Flows From (Used In) Investing Activities		(941,733)	262,500
Net Increase (Decrease) in Cash and Cash Equivalents		(1,734,427)	4,450,574
Cash and Cash Equivalents at Beginning of the Year		4,450,574	-
Cash and Cash Equivalents at End of the Year		2,716,147	4,450,574

The accompanying notes form an integral part of these financial statements

BINJAITREE
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NOTES TO THE FINANCIAL STATEMENTS – 31 DECEMBER 2010

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

1. CORPORATE INFORMATION

Binjaitree is a public company limited by guarantee incorporated and domiciled in the Republic of Singapore whose registered office and principal place of business is located at 177 River Valley Road #05-20 Liang Court Shopping Centre Singapore 179030.

The Company is registered as a charity under the Charities Act on 1 November 2008 and has renewed its IPC Status (General Fund) from 1 November 2010 to 31 October 2012.

The principal activity of the Company is to improve the standard of human life and social well-being, in particular, the disadvantage community.

The Company is limited by its member's guarantee to contribute to the assets of the Company up to $1 in the event of it being wound up.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) and the Statement of Recommended Accounting Practice 6 "Accounting and Reporting by Charities" issued by the Institute of Certified Public Accountants of Singapore. The Company is also subject to the provisions of the Charities Act, Cap. 37. Where presentation guidance set out in the Statement of Recommended Accounting Practice 6 is consistent with the requirements of FRS, the Company has sought to prepare the financial statements on a basis compliant with the recommendations of RAP 6.

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

Functional Currency

The functional currency of the Company is the Singapore dollars. As funds and expenditures are denominated primarily in Singapore dollars and receipts from operations are usually retained in Singapore dollars, the directors are of the opinion that the Singapore dollars reflect the economic substance of the underlying events and circumstances relevant to the Company.

The financial statements are presented in Singapore dollars ($) and all values in the tables are rounded to the nearest dollar ($) as indicated.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except as follows:

In the current financial year, the Company has adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are relevant to its operations and effective for annual periods beginning on or after 1 January 2010. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but are only effective for annual financial periods beginning on or after the respective dates.

Effective 1 February 2010

- Amendments to FRS 32	- Financial Instruments: Presentation - Classification of Rights Issues

Effective 1 July 2010

- INT FRS 119	- Extinguishing Financial Liabilities with Equity Instruments
- Amendments to FRS 101	- Limited Exemption from Comparative FRS107 Disclosures for First-Time Adopters

Effective 1 January 2011

- Revised FRS 24	- Related Party Disclosures
- Amendments to INT FRS 114	- Prepayments of a Minimum Funding Requirement
- INT FRS 115	- Agreements for the Construction of Real Estate

Except for the revised FRS 24, the directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government related entities. The Company is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Company when implemented in 2011.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.4 Property, plant and equipment

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

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance costs are recognised in the statement of financial activities during the financial year in which it is incurred.

Depreciation is computed on the straight line basis to write off the cost of property, plant and equipment over the estimated useful lives. The estimated useful lives of property, plant and equipment are as follows:-

Office equipment	3 years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at the end of each reporting year to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is included in the statement of financial activities in the financial year the asset is derecognised.

2.5 Impairment of non-financial assets

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment assessment for an asset is required, the Company makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. In determining fair value less costs to sell, an appropriate valuation model is used.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.5 Impairment of non-financial assets (Cont'd)

Impairment losses are recognised in the statement of financial activities except for assets that are previously revalued where the revaluation was taken to other revaluation reserve. In this case, the impairment is also recognised in revaluation reserve up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased carrying amount of an asset cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in the statement of financial activities unless the asset is measured at revalued amount, in which case the reversal is treated as revaluation increase.

2.6 Financial assets

Initial recognition

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

Loans and Receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method less impairment. Gains and losses are recognised in the statement of financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

Available-for-Sale Financial Assets

Available-for-sale financial assets include equity and debt securities. Equity investments classified as available-for-sale are those which are neither classified as held for trading nor designated at fair value through profit or loss. Debt securities in this category are those which are intended to be held for an indefinite period of time and which may be sold in response to needs for liquidity or in response to changes in the market conditions.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.6 Financial assets (Cont'd)

Subsequent measurement (Cont'd)

Available-for-Sale Financial Assets (Cont'd)

After initial recognition, available-for-sale financial assets are measured at fair value. Any gains and losses from changes in fair value of the financial asset are recognised in fair value adjustment reserve, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in the statement of financial activities. The cumulative gain or loss previously recognised in fair value adjustment reserve is reclassified to statement of financial activities as a reclassification adjustment when the financial asset is derecognised.

Investments in equity instruments whose fair value cannot be reliably measured are measured at cost less impairment loss.

Derecognition

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in reserve is recognised in the statement of financial activities.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Company commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

2.7 Impairment of financial assets

The Company assesses at the end of each reporting year whether there is any objective evidence that a financial asset is impaired and recognises an allowance for impairment when such evidence exists.

(a) Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Company first assesses individually whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Company determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Impairment of financial assets (Cont'd)

(a) Financial assets carried at amortised cost (Cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of financial activities.

When the asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Company considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the financial asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of financial activities.

(b) Financial assets carried at cost

If there is objective evidence (such as significant adverse changes in the business environment where the issuer operates, probability of insolvency or significant financial difficulties of the issuer) that an impairment loss on financial assets carried at cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment losses are not reversed in subsequent periods.

(c) Available-for-sale financial assets

In the case of equity investments classified as available-for-sale, objective evidence of impairment includes:

i. significant financial difficulties of the issuer or obligor;

ii. information about significant changes with an adverse effect that have taken place in the technological, market, economic or legal environment in which the issuer operates, and indicates that the cost of the investment in equity instrument may not be recovered; and

iii. a significant or prolonged decline in the fair value of the investment below its costs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.7 Impairment of financial assets (Cont'd)

(c) Available-for-sale financial assets (Cont'd)

"Significant" is to be evaluated against the original cost of the investment and "prolonged" against the period in which the fair value has been below its original cost.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its acquisition cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of financial activities is transferred from fair value adjustment reserve and recognised in the statement of financial activities. Reversals of impairment losses in respect of equity instruments are not recognised in the statement of financial activities; increase in their fair value after impairment is recognised directly in fair value adjustment reserve.

In the case of debt instruments classified as available-for-sale, impairment is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in the statement of financial activities. Future interest income continues to be accrued based on the reduced carrying amount of the asset and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest income is recorded as part of finance income. If, in a subsequent year, the fair value of a debt instrument increases and the increases can be objectively related to an event occurring after the impairment loss was recognised in the statement of financial activities, the impairment loss is reversed in the statement of financial activities.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank that is readily convertible to known amounts of cash and which is subject to an insignificant risk of changes in value.

2.9 Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if any by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. Any expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses if any are allocated on a reasonable basis to the funds based on a method most suitable to that common expense.

The assets and liabilities of these funds are accounted for separately.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.10 Financial liabilities

Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition.

Financial liabilities are recognised initially at fair value and in the case of financial liabilities other than derivatives, directly attributable transaction costs.

Subsequent to initial recognition, derivatives are measured at fair value. Other financial liabilities (except for financial guarantee) are measured at amortised cost using the effective interest method.

For financial liabilities other than derivatives, gains and losses are recognised in the statement of financial activities when the liabilities are derecognised, and through the amortisation process. Any gains or losses arising from changes in fair value of derivatives are recognised in the statement of financial activities. Net gains or losses on derivatives include exchange differences.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of financial activities.

2.11 Income recognition

Income, including donations, gifts and grants that provide core funding or are of general nature, are recognised where there is (a) entitlement (b) certainty and (c) sufficient reliability of measurement. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the Company has unconditional entitlement.

A gift in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

Dividend income is recognised when the Company's rights to receive payment is established.

Interest income is recognised using the effective interest method.

2.12 Contingencies

A contingent liability is:

(a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company; or

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

2.12 Contingencies (Cont'd)

(b) a present obligation that arises from past events but is not recognised because:

(i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation: or

(ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent liabilities and assets are not recognised on the statement of financial position of the Company.

2.13 Related Party

An entity or individual is considered a related party for the purpose of these financial statements if the Company has the ability (directly or indirectly) to control or exercise significant influence over the operating and financial decisions of the party or vice versa, or where the Company and the party are subject to common control or common significant influence.

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The 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 financial year.

4. VOLUNTARY INCOME

	2010 $	2009 $
Donations received in kind – quoted equity shares from the founder	-	5,345,000
Donations received in cash from the founder		
- tax exempt	-	4,515,000
- non-tax exempt	-	252,920
	-	10,112,920

5. GRANTS

	2010 $	2009 $
Grants disbursed to a Company in which the founder is the director	130,000	70,000

The Company has committed a funding of $500,000 to Shared Services for Charities Limited, a related party for initial start-up and working capital. As at the end of the reporting year, an accumulated sum of $200,000 (2009: $70,000) has been disbursed.

6. DONATIONS TO CHARITABLE ORGANISATIONS

Donations to the following charitable organisations and institutions are:

	2010 $	2009 $
Active Retirees' Association	5,000	-
ACS Independent – Student Pocket Money	-	25,000
Caregivers Association of the Mentally - Ill	8,578	-
Disabled People's Association	-	10,000
Dover Park Hospice	10,000	-
Laselle Foundation Ltd	2,000	-
Methodist Welfare Services	20,000	10,000
National Heritage Board	10,000	-
National University of Singapore	100,000	-
PAP Community Foundation	30,000	-
SINDA	50,000	-
Singapore Anglican Community Services	10,000	-
Singapore Association of the Visually Handicapped	5,000	-
Singapore Association for Mental Health	30,000	-
Singapore Institute of International Affairs	-	25,000
Singapore Thong Chai Medical Institution	10,000	-
Southeast Asian Geography Association	-	1,000
The Boys Brigade in Singapore	5,000	-
The Bull Charge Trust Account	100,000	400,000
The University of Hong Kong Foundation	8,995*	-
	404,573	471,000

* This donation is earmarked for overseas charitable purposes came from funds received for which no tax deductible receipt was issued.

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment $
Cost:	
At 1 January 2009	
Additions	-
Disposals	-
At 31 December 2009 and 1 January 2010	-
Additions	2,418
Disposals	-
At 31 December 2010	2,418
Accumulated depreciation:	
At 1 January 2009	
Depreciation charge for the year	-
Disposals	-
At 31 December 2009 and 1 January 2010	-
Depreciation charge for the year	269
Disposals	-
At 31 December 2010	269
Net carrying amount:	
At 31 December 2009	-
At 31 December 2010	2,149

8. INVESTMENT SECURITIES

	2010 $	2009 $
Non-current		
Available for sale financial assets:		
Quoted equity shares, at fair value	9,902,100	8,330,000
Unquoted equity shares, at cost	207,018	-
	10,109,118	8,330,000

Investment securities are denominated in the following currencies:

	2010 $	2009 $
Singapore dollars	9,879,758	8,330,000
Hong Kong dollars	229,360	-
	10,109,118	8,330,000

Quoted equity shares offer the Company opportunity for return through dividend income and fair value gains. They have no fixed maturity. The fair values of these shares are based on the bid price on the last market day of the financial year.

9. FAIR VALUE ADJUSTMENT RESERVE

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available-for-sale financial assets until they are disposed of or impaired.

10. INCOME TAX EXPENSE

The Company is an approved charitable institution under the Charities Act, Cap. 37 and an institute of public character under the Income Tax, Cap. 134. Accordingly, the Company is exempted from income tax.

11. RELATED PARTY TRANSACTIONS

The Company has the following significant related party transactions entered with its related parties and the effect of these transactions at terms agreed between the parties are reflected in these financial statements:-

Transactions with Related Parties

	2010 $	2009 $
Founder/Director		
Voluntary income received	-	(10,112,920)
Voluntary income refunded	243,925	-

11. RELATED PARTY TRANSACTIONS (Cont'd)

Transactions with Related Parties (Cont'd)

Companies in which the founder is a director/term trustee

Grants disbursed	130,000	70,000
Professional fees	3,250	-
Donations in kind	2,984	-
Donations	150,000	-

12. FINANCIAL INSTRUMENTS

The Company's financial instruments comprise financial assets and liabilities. Financial assets and liabilities mainly relate to receivables and payables which arise directly from its operations.

Financial risk management objectives and policies

The Company is exposed to financial risk arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, market risk comprising interest rate risk, foreign currency risk and other price risk exposures. The board of directors has a set of non-documented procedures in place for the management of these risks, which are executed and monitored collectively by the board. These procedures are carried out following good market practices.

The Company does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations in interest and foreign exchange rates.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instrument should a counterparty default on its contractual obligations. The Company minimises credit risk by dealing exclusively with high credit rating counterparties for its financial assets (including investment securities and cash at bank).

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of financial assets and liabilities.

At the end of the reporting year, the financial liabilities are expected to be settled within the next twelve months.

Interest rate risk

The Company has no exposure to movements in market interest rates.

12. FINANCIAL INSTRUMENTS (Cont'd)

Financial risk management objectives and policies (Cont'd)

Foreign currency risk

The Company's operational activities are carried out in Singapore Dollars which is its functional currency. All transactions are paid mainly in local currency. Exposure to any risk arising from movements in foreign currencies exchange rates is minimal.

Equity price risk

Equity price risk is the risk that the fair value or future cash flows of the Company financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Company is exposed to equity price risk arising from its investment in quoted equity instruments. These instruments are quoted on the Singapore Exchange Securities Trading Limited (SGX-ST) and Stock Exchange overseas and are classified as available-for-sale financial assets. The Company does not have exposure to commodity price risk.

The Company's objective is to manage investment returns and equity price risk using a mix of investment grade shares with steady dividend yield and non-investment grade shares with higher volatility.

Sensitivity analysis for equity price risk

At the end of the reporting year, if prices for equity securities listed in Singapore changed by 4% (2009: 2%) with all other variables held constant, the Company's fair value adjustment reserve would have been \$396,084 (2009: \$198,042) higher/lower, arising as a result of an increase/decrease in the fair value of equity instruments classified as available-for-sale.

Reserves Management

Utilisation of reserves is determined by the Board of the Company. There were no changes in the Company's approach to reserves management during the year. The Company is not subject to any externally imposed capital reserve requirements.

13. FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair value of a financial instrument is the amount at which the instrument could be exchanged or settled between knowledgeable and willing parties in an arm's length transaction, other than in a forced or liquidation sale.

Financial instruments whose carrying amounts approximate fair values

Management has determined that the carrying amounts of bank balances and accruals, based on their notional amounts, reasonably approximate their fair values because these are mostly short term in nature.

13. **FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)**

Fair value of financial instruments that are carried at fair value

The following table shows an analysis of financial instruments carried at fair value by level of fair value hierarchy:

	2010			
	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Financial assets:				
Available-for-sale financial assets				
- Equity instruments (quoted)	9,902,100	-	-	9,902,100
At 31 December 2010	9,902,100	-	-	9,902,100

	2009			
	Quoted price in active markets for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	Total
	$	$	$	$
Financial assets:				
Available-for-sale financial assets				
- Equity instruments (quoted)	8,330,000	-	-	8,330,000
At 31 December 2009	8,330,000	-	-	8,330,000

13. FAIR VALUE OF FINANCIAL INSTRUMENTS (Cont'd)

Fair value of financial instruments that are carried at fair value (Cont'd)

Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significant of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 – 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 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

There have been no transfers between level 1 and 2 during the financial years ended 2010 and 2009.

Determination of fair value

Quoted equity instruments: Fair value is determined directly by reference to their published market bid price at the end of the reporting year.

14. COMPARATIVE FIGURES

The financial statements for 2010 cover the period from 1 January 2010 to 31 December 2010. The financial statements for 2009 cover the period since incorporation on 23 September 2008 to 31 December 2009. As a result, the comparative amounts for the statement of financial activities, changes in funds and reserve, cash flows and the related notes to the financial statements are not comparable.

15. AUTHORISATION OF FINANCIAL STATEMENTS

The financial statements for the year ended 31 December 2010 were authorised for issue in accordance with a resolution of the directors on 13 June 2011.