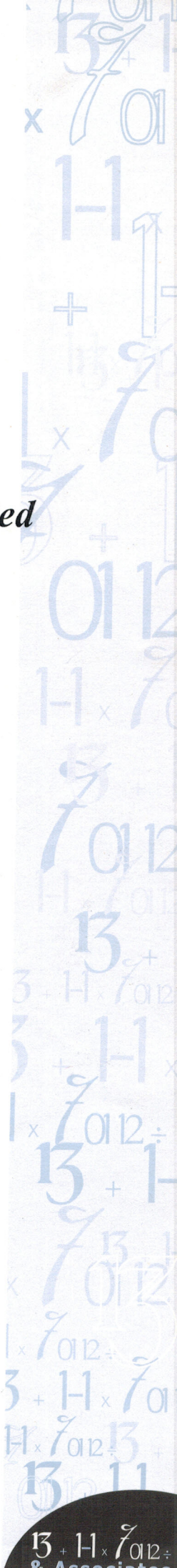


*Directors' Report and  
Audited Financial Statements*

***Spaces Counseling And Community Limited***

*(Co. Reg. No. 200402955N)*

*31 December 2007*



**Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

**General Information**

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**Directors**

|                       |                          |
|-----------------------|--------------------------|
| Toh Leh Lim           |                          |
| Chen Lingshen         | (appointed on 23.6.2007) |
| Choong Chee Hong      | (appointed on 23.6.2007) |
| Siah Eng Kiat         | (resigned on 23.6.2007)  |
| Tung Kian Seng Daniel | (resigned on 23.6.2007)  |

**Company secretary**

Jonathan Foong Yew Cho

**Independent Auditors**

B H Tan & Associates

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**Directors' Report**

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The directors are pleased to present their report to the members together with the audited financial statements of Spaces Counseling And Community Limited for the financial year ended 31 December 2007.

**1. DIRECTORS**

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

Toh Leh Lim  
Chen Lingshen  
Choong Chee Hong

**2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES**

The company is a Public company limited by guarantee and not having share capital. None of the directors holding office at the end of the financial year had an interest in the share capital of the company that is required to be reported pursuant to Section 201(6)(g) of the Singapore Companies Act, Cap. 50.

**3. DIRECTORS' INTERESTS IN SHARES AND DEBENTURES**

The company is a company limited by guarantee.

There were no shares or debentures in issue in the company at the end of the financial year.

**4. DIRECTORS' CONTRACTUAL BENEFITS**

Since the beginning of the 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 the director is a member, or with a company in which the director has a substantial financial interest.

**Directors' Report**

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**5. INDEPENDENT AUDITORS**

The independent auditors, B H Tan & Associates have expressed their willingness to accept re-appointment as auditors.

On behalf of the board of directors,



Toh Leh Lim  
Director



Choong Chee Hong  
Director

Singapore  
5 March 2009



**Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

**Statement by Directors**

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We, Toh Leh Lim and Choong Chee Hong, being two of the directors of Spaces Counseling And Community Limited, do hereby state that, in the opinion of the directors,

- (a) the accompanying balance sheet, income statement, statement of changes in equity and cash flow statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2007 and of the results of the business, changes in equity and cash flows of the company for the year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the company will be able to pay its debts as and when they fall due.

On behalf of the board of directors,



Toh Leh Lim ✓  
Director



Choong Chee Hong  
Director

Singapore  
5 March 2009

# BH TAN & ASSOCIATES

Certified Public Accountants, Singapore

A member firm of

INTEGRA  INTERNATIONAL®

20 Peck Seah Street #05-00 Singapore 079312

Tel : (65) 6323 1928 Fax : (65) 6227 9030

## **Independent Auditors' Report to the Members of Spaces Counseling And Community Limited (Co. Reg. No. 200402955N)**

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We have audited the accompanying financial statements of Spaces Counseling And Community Limited, which comprise the balance sheet as at 31 December 2007, and the income statement, statement of changes in equity and cash flow statement for the 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 and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) 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 income statement and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances

### *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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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.

**B H TAN & ASSOCIATES**  
Certified Public Accountants, Singapore

A member firm of

INTEGRA  INTERNATIONAL®

20 Peck Seah Street #05-00 Singapore 079312  
Tel : (65) 6323 1928 Fax : (65) 6227 9030

**Independent Auditors' Report**  
**to the Members of Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

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Opinion

In our opinion,

- (a) 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 2007 and the results, changes in equity and cash flows of the Company for the year ended on that date; and
- (b) 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.



B H Tan & Associates  
Public Accountants and  
Certified Public Accountants

Singapore  
5 March 2009

**Spaces Counseling And Community Limited**  
 (Co. Reg. No. 200402955N)

**Balance Sheet as at 31 December 2007**

|                           | Notes | 2007<br>\$ | 2006<br>\$ |
|---------------------------|-------|------------|------------|
| <b>Non-current asset</b>  |       |            |            |
| Plant and equipment       | 3     | 3,546      | 4,579      |
|                           |       | 3,546      | 4,579      |
| <b>Current assets</b>     |       |            |            |
| Other receivables         | 4     | 21,249     | 9,427      |
| Cash and cash equivalents |       | 55,534     | 41,754     |
|                           |       | 76,783     | 51,181     |
| <b>Current liability</b>  |       |            |            |
| Other payables            | 5     | 24,142     | 11,550     |
|                           |       | 24,142     | 11,550     |
| <b>Net current assets</b> |       | 52,641     | 39,631     |
| <b>Net assets</b>         |       | 56,187     | 44,210     |
| <b>General funds</b>      |       |            |            |
| Accumulated funds         |       | 56,187     | 44,210     |
|                           |       | 56,187     | 44,210     |
| <b>Members' guarantee</b> |       |            |            |
| 3 members of \$100 each   |       | 300        | 300        |

*The accompanying notes form an integral part of the financial statements.*



**Spaces Counseling And Community Limited**  
 (Co. Reg. No. 200402955N)

**Income Statement for the financial year ended 31 December 2007**

|                                  | Notes | 2007<br>\$           | 2006<br>\$           |
|----------------------------------|-------|----------------------|----------------------|
| Revenue                          | 6     | 52,980               | 117,903              |
| Events expenses                  | 7     | (28,011)             | (93,117)             |
| Depreciation                     |       | (1,033)              | (546)                |
| Other operating expenses         |       | (11,959)             | (6,909)              |
| <b>Surplus before income tax</b> |       | <u>11,977</u>        | <u>17,331</u>        |
| Income tax expense               | 8     | -                    | -                    |
| <b>Surplus for the year</b>      |       | <u><u>11,977</u></u> | <u><u>17,331</u></u> |

**Statement of Changes in Fund**  
**Year ended 31 December 2007**

|                             | Accumulated<br>funds<br>\$ |
|-----------------------------|----------------------------|
| Balance at 31 December 2005 | 26,879                     |
| Surplus for the year        | 17,331                     |
| Balance at 31 December 2006 | <u>44,210</u>              |
| Surplus for the year        | 11,977                     |
| Balance at 31 December 2007 | <u><u>56,187</u></u>       |

*The accompanying notes form an integral part of the financial statements.*

**Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

**Cash Flow Statement for the financial year ended 31 December 2007**

|   | 2007<br>\$    | 2006<br>\$     |
|---|---------------|----------------|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>             |               |                |
| Surplus before income tax                               | 11,977        | 17,331         |
| Adjustments for :                                       |               |                |
| Depreciation  | 1,033         | 546            |
| <b>Operating surplus before working capital changes</b> | <u>13,010</u> | <u>17,877</u>  |
| (Increase)/decrease in other receivables                | (11,822)      | 723            |
| Increase in other payables                              | 12,592        | 100            |
| <b>Net cash flows from operating activities</b>         | <u>13,780</u> | <u>18,700</u>  |
| <b>CASH FLOWS FROM INVESTING ACTIVITY</b>               |               |                |
| Purchase of plant and equipment                         | -             | (4,767)        |
| <b>Net cash flows used in investing activity</b>        | <u>-</u>      | <u>(4,767)</u> |
| Net increase in cash and cash equivalents               | 13,780        | 13,933         |
| Cash and cash equivalents at beginning of year          | 41,754        | 27,821         |
| <b>Cash and cash equivalents at end of year</b>         | <u>55,534</u> | <u>41,754</u>  |

*The accompanying notes form an integral part of the financial statements.*



Notes to the Financial Statements – 31 December 2007

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

**1. CORPORATE INFORMATION**

The company is a public company limited by guarantee, incorporated in Singapore and not having a share capital. It is registered as a charity (Registration No.01812) under the Charities Act, Cap. 37. of Singapore with effect from 25 September 2004.

The registered office of the company is located at 77 Robinson Road #16-00, Robinson 77, Singapore 068896. The principal activities are to engage in charitable, social welfare and counselling and community work for the needy. The company has carried out its counselling and community work under the business name of Oogachaga (Registration No.53035413J) and A Nation In Concert (Registration No.53070633D).

Each member of the company has undertaken to contribute such amounts not exceeding \$100 to the assets of the company in the event the company is wound up and the monies are required for payment of the liabilities of the company. The company has 3 (2006: 3) members at the end of the financial year.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

(a) *Basis of preparation*

The financial statements of the company have been prepared in accordance with Singapore Financial Reporting Standards (FRS) as required by the Singapore Companies Act, Chapter 50.

The financial statements have been prepared on a historical basis, except where otherwise indicated in the accounting policies.

The accounting policies have been consistently applied by the company, except that during the year the company has adopted earlier the new and revised FRS which did not result in any significant changes in the accounting policies.

▪ *FRS and INT FRS not yet effective*

The company have not applied the following FRS and INT FRS that have been issued but not yet effective:

|       |   | Effective date<br>(Annual periods<br>beginning on or after) |
|-------|---|---|
| FRS 1 | : Amendment to FRS 1 (revised)<br>Presentation of Financial Statements<br>(Capital Disclosures) | 1 January 2008  |
| FRS 1 | : Presentation of financial statements (revised)  | 1 January 2009  |
| FRS 7 | : Cash Flow Statement (revised)   | 1 January 2009  |
| FRS 8 | : Accounting Policies, Changes in Accounting,<br>Estimates and Error (revised)                  | 1 January 2009  |

Notes to the Financial Statements – 31 December 2007

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(a) *Basis of preparation*

- *FRS and INT FRS not yet effective (continued)*

|             |   | Effective date<br>(Annual periods<br>beginning on or after) |
|-------------|---|---|
| FRS 16      | : Property, plant and Equipment (revised) | 1 January 2009  |
| FRS 36      | : Impairment of Assets (revised)          | 1 January 2009  |
| FRS 107     | : Financial instrument: Disclosures       | 1 January 2008  |
| INT FRS 112 | : Service Concession Arrangements         | 1 January 2008  |

The directors expect that the adoption of the above pronouncements will have no material impact to the financial statements in the period of initial application.

Amendment to FRS 1 (Revised), Presentation of Financial Statements (Capital Disclosures) requires the company to make new disclosures to enable users of the financial statements to evaluate the company's objectives, policies and processes for managing capital.

FRS 1 (revised 2008) will become effective for the financial statements for the year ended 31 December 2009. The revised standard requires an entity to present, in a statement of changes in equity, all owner changes in equity. All non-owner changes in equity (comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in equity. In addition, a statement of financial position is required at the beginning of the earliest comparative period following a change in accounting policy, the correction of an error or the reclassification items in the financial statements. FRS 1 (revised 2008) does not have any impact on the financial position or results.

FRS 23 requires all borrowing costs to be capitalised if they are directly attributable to the acquisition construction or production of a qualifying asset. If they are not attributable to such an asset, they are to be expensed in the period incurred.

The financial statements are presented in Singapore Dollars (SGD or \$) and all values are rounded to the nearest one-dollar unless otherwise stated.

(b) *Significant accounting estimates and judgements*

Estimates, assumptions concerning the future and judgments are made in the preparation of the financial statements. They affect the application of the accounting policies, reported amounts of assets, liabilities, income and expenses and disclosures made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.



2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(b) *Significant accounting estimates and judgements (continued)*

(i) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

▪ *Depreciation of plant and equipment*

The cost of plant and equipment is depreciated on a straight-line basis over the useful lives. Management estimates the useful lives of this plant and equipment to be 5 years. These are common life expectancies applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

(ii) *Critical judgement made in applying accounting policies*

There were no material judgments made by management in the process of applying the company's accounting policies that have the most significant effect on the amounts recognised in the financial statements.

(c) *Plant and equipment*

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

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Furniture and fittings            5 years

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

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets*

Financial assets within the scope of FRS 39 are classified as either financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available-for-sale financial assets, as appropriate. Financial assets are recognised on the balance sheet when, and only when, the company becomes a party to the contractual provisions of the financial instrument.

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. The company determines the classification of its financial assets after initial recognition and, where allowed and appropriate, re-evaluates this designation at each financial year-end.

(i) *Financial assets at fair value through profit or loss*

Financial assets classified as held for trading are included in the category 'financial assets at fair value through profit or loss'. Financial assets are classified as held for trading if they are acquired for the purpose of selling in the near term. Derivative financial instrument are also classified as held for trading unless they are designated as effective hedging instrument. Gains or losses on investments held for trading are recognised in the income statement.

(ii) *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. Such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in income statement when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

(iii) *Held-to-maturity investments*

Non-derivative financial assets with fixed or determinable payments and fixed maturity are classified as held-to-maturity when the company has the positive intention and ability to hold the assets to maturity. Investments intended to be held for an undefined period are not included in this classification. Other long-term investments that are intended to be held-to-maturity, such as bonds, are subsequently measured at amortised cost using the effective interest method. For investments carried at amortised costs, gains and losses are recognised in the income statement when the investments are derecognised or impaired, as well as through the amortisation process.



Notes to the Financial Statements – 31 December 2007

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) *Financial assets (continued)*

(iv) *Available-for-sale financial assets*

Available-for-sale financial assets are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the three preceding categories. After initial recognition, available-for-sale financial assets are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the income statement.

(e) *Other receivables*

Other receivables are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2(d).

An allowance is made for uncollectible amounts when there is objective evidence that the company will not be able to collect the debt. Bad debts are written off when identified. Further details on the accounting policy for impairment of financial assets are stated in Note 2(g).

(f) *Cash and cash equivalents*

Cash and cash equivalents comprise cash on hand and at bank.

Cash carried in the balance sheets are classified and accounted for as loans and receivables under FRS 39. The accounting policy for this category of financial assets is stated in Note 2(d).

(g) *Impairment of financial assets*

The company assesses at each balance sheet date whether there is any objective evidence that a financial asset is impaired.

(i) *Assets carried at amortised cost*

If there is objective evidence that an impairment loss on loans and receivables or held to maturity investments carried at amortised cost has been incurred, the amount of the loss is measured by the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the income statement.

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.

Notes to the Financial Statements – 31 December 2007

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(g) *Impairment of financial assets (continued)*

(ii) *Assets carried at cost*

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument 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.

(iii) *Available-for-sale financial assets*

If an available-for-sale financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation) and its current fair value, less any impairment loss previously recognised in the income statement, is transferred from equity to the income statement. Reversals in respect of equity instruments classified as available-for-sale are not recognised in the income statement. Reversal of impairment losses on debt instruments are reversed through the income statement, if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognised in the income statement.

(h) *Other payables*

Liabilities for other payable are initially recognised at the fair value and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognised in the income statement when the liabilities are derecognises as well as through the amortisation process.

(i) *Derecognition of financial assets and liabilities*

(i) *Financial assets*

A financial asset is derecognised where:

- The contractual rights to receive cash flows from the asset have expired;
- The company retains the contractual rights to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- The company has transferred its rights to receive cash flow from the asset and either (a) has transferred substantially all the risk and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the assets.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of (a) the consideration received (including any new asset obtained less any new liability assumed) and (b) any cumulative gain or loss that has been recognised directly in equity is recognised in the income statement.



**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(i) *Derecognition of financial assets and liabilities (continued)*

(ii) *Financial liabilities*

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

Where 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 income statement.

(j) *Provisions*

Provisions are recognised when the company has a present obligation (legal or constructive) where, as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

(k) *Revenue*

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised :

(i) *Rendering of services*

Revenue from rendering of services that are of short duration is recognised when the services are completed.

(ii) *Donations*

Donations are recognised on receipts basis.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(1) *Income taxes*

The company is a registered charity, is enjoyed an automatic income tax exemption without having the need to meet 80% spending rules and therefore do not need to file income tax returns effective from the year of assessment 2008.

**Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

**Notes to the Financial Statements – 31 December 2007**

**3. PLANT AND EQUIPMENT**

*Furniture and fittings*

|  | \$           |
|--|--------------|
| Cost :                                 |              |
| At 1 January 2006                      | 398          |
| Additions                              | <u>4,767</u> |
| At 31 December 2006 and 1 January 2007 | 5,165        |
| Additions                              | <u>–</u>     |
| At 31 December 2007                    | <u>5,165</u> |
| Accumulated depreciation :             |              |
| At 1 January 2006                      | 40           |
| Charge for the year                    | <u>546</u>   |
| At 31 December 2006 and 1 January 2007 | 586          |
| Charge for the year                    | <u>1,033</u> |
| At 31 December 2007                    | <u>1,619</u> |
| Net carrying amounts :                 |              |
| At 31 December 2006                    | <u>4,579</u> |
| At 31 December 2007                    | <u>3,546</u> |

**4. OTHER RECEIVABLES**

|                    | 2007<br>\$    | 2006<br>\$   |
|--------------------|---------------|--------------|
| Deposits           | 7,469         | 240          |
| Sundry receivables | <u>13,780</u> | <u>9,187</u> |
|                    | <u>21,249</u> | <u>9,427</u> |

**5. OTHER PAYABLES**

|                              |               |               |
|------------------------------|---------------|---------------|
| Accrued liabilities          | 2,142         | 1,550         |
| Amounts due to a third party | 10,000        | 10,000        |
| Sundry payables              | <u>12,000</u> | <u>–</u>      |
|                              | <u>24,142</u> | <u>11,550</u> |

**6. REVENUE**

|                                   |               |                |
|-----------------------------------|---------------|----------------|
| Counseling fee                    | 4,687         | 430            |
| Projects income                   | –             | 3,393          |
| Education programme grant         | 33,180        | 20,353         |
| Income from “A Nation in Concert” | –             | 70,346         |
| Outright donations                | 2,327         | 16,201         |
| Sales of books                    | 5,712         | 7,180          |
| Practitioner workshops            | <u>7,074</u>  | <u>–</u>       |
|                                   | <u>52,980</u> | <u>117,903</u> |

**Notes to the Financial Statements – 31 December 2007**

**7. EVENTS EXPENSES**

|                                   | <b>2007</b>   | <b>2006</b>   |
|-----------------------------------|---------------|---------------|
|                                   | \$            | \$            |
| Counseling expense                | 17,682        | 773           |
| Cost of books                     | 100           | 17,191        |
| Donations – “A Nation in Concert” | –             | 14,200        |
| Expenses on “A Nation in Concert” | (250)         | 54,636        |
| Projects                          | 6,369         | 6,317         |
| Practitioner workshops expenses   | 4,110         | –             |
|                                   | <u>28,011</u> | <u>93,117</u> |

**8. INCOME TAX EXPENSE**

The company is exempted from income tax effective from financial year ended 31 December 2007 as the company is enjoying automatic income tax exemption from having the need to meet the 80% spending rule.

**9. FINANCIAL INSTRUMENTS**

**(a) Financial risk management objectives and policies**

The company’s activities expose it to a variety of financial risk, particularly credit risk. The company’s risk management policies seek to, where appropriate, minimise potential adverse effects on the financial performance of the company. The policies for managing these risks are summarised below.

**(i) Credit risk**

The carrying amount of other receivables represents the company’s maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

**(b) Net fair value**

The carrying amount of financial assets and financial liabilities recorded in the financial statements represents their respective net fair values.

**10. AUTHORISATION OF FINANCIAL STATEMENTS**

The financial statements for the financial year ended 31 December 2007 were authorised for issue in accordance with a resolution of the directors on 5 March 2009.

**The accompanying supplementary income statement  
has been prepared for management purposes only and  
does not form part of the audited financial statements.**

**Spaces Counseling And Community Limited**  
(Co. Reg. No. 200402955N)

**Supplementary Income Statement for the financial year ended 31 December 2007**

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|                                  | <b>Schedules</b> | <b>2007</b>   | <b>2006</b>   |
|----------------------------------|------------------|---------------|---------------|
|                                  |                  | \$            | \$            |
| <b>Revenue</b>                   | A                | 52,980        | 117,903       |
| Events expenses                  | B                | (28,011)      | (93,117)      |
| Depreciation                     |                  | (1,033)       | (546)         |
| Other operating expenses         | C                | (11,959)      | (6,909)       |
| <b>Surplus before income tax</b> |                  | <u>11,977</u> | <u>17,331</u> |