

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

Company Registration No: 200402955N

FINANCIAL STATEMENTS FOR THE PERIOD 12 MARCH 2004
(DATE OF INCORPORATION) TO 31 DECEMBER 2004

CYPRESS SINGAPORE
PUBLIC ACCOUNTING CORPORATION

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

**FINANCIAL STATEMENTS FOR THE PERIOD 12 MARCH 2004 (DATE OF INCORPORATION)
TO 31 DECEMBER 2004**

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SPACES COUNSELING AND COMMUNITY LIMITED
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REPORT OF THE DIRECTORS

The directors present their report to the members together with the audited financial statements of the company for the financial period from 12 March 2004 to 31 December 2004.

DIRECTORS

1. The names of the directors in office at the date of this report are:

Siah Eng Kiat
Tung Kian Seng Daniel
Koh Puay Kee Peggy

DIRECTORS' CONTRACTUAL BENEFITS

2. Since the incorporation of the company, no director has received or become entitled to receive a benefit by reason of a contract made by the company 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.

SHARE OPTIONS

3. As the company is limited by guarantee and has no share capital, the matters to be disclosed under Sections 201(11) and 201(12) of the Companies Act, Cap.50 are not relevant.

ON BEHALF OF THE BOARD



SIAH ENG KIAT
DIRECTOR



TUNG KIAN SENG DANIEL
DIRECTOR

Singapore, - 8 JUN 2005

SPACES COUNSELING AND COMMUNITY LIMITED
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STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2004 and of the results of the operations and changes in accumulated funds and cash flows of the company for the period from 12 March 2004 to 31 December 2004 and 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


SIAH ENG KIAT
DIRECTOR


TUNG KIAN SENG DANIEL
DIRECTOR

Singapore, - 8 JUN 2005

**AUDITORS' REPORT TO THE MEMBERS OF
SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)**

We have audited the accompanying financial statements of Spaces Counseling and Community Limited for the period from 12 March 2004 to 31 December 2004. These financial statements are the responsibility of the company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Cap. 50 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 2004 and of the results and changes in accumulated funds and cash flows of the company for the period from 12 March 2004 to 31 December 2004; 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.



**CYPRESS SINGAPORE PAC
CERTIFIED PUBLIC ACCOUNTANTS**

Singapore,

Date, 8 JUN 2005

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

BALANCE SHEET AS AT 31 DECEMBER 2004

	Note	2004 S\$
GENERAL FUND	4	<u>2,275</u>
Represented by:		
CURRENT ASSET		
Cash at bank and in hand		12,275
Less:		12,275
CURRENT LIABILITY		
Loan from a third party	5	10,000
		10,000
NET CURRENT ASSETS		<u>2,275</u>

The accompany notes form an ingtegral part of the financial statements.

SPACES COUNSELING AND COMMUNITY LIMITED
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INCOME AND EXPENDITURE STATEMENT FOR THE PERIOD FROM 12 MARCH 2004
(DATE OF INCORPORATION) TO 31 DECEMBER 2004

	For the period 12.3.2004 (date of incorporation) to 31.12.2004 S\$
INCOME	
Donations and income from charity events	11,023
Less:	
OPERATING EXPENSES	
Auditors' remuneration	(650)
General expenses	(225)
Events expenses	<u>(6,423)</u>
SURPLUS BEFORE TAXATION	3,725
TAXATION	6 -
NET SURPLUS FOR THE YEAR	<u><u>3,725</u></u>

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

SPACES COUNSELING AND COMMUNITY LIMITED
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**STATEMENT OF CHANGES IN ACCUMULATED FUNDS FOR THE PERIOD FROM
12 MARCH 2004 (DATE OF INCORPORATION) TO 31 DECEMBER 2004**

	General Fund S\$
BALANCE AS AT 12 MARCH 2004	-
Surplus for the period	3,725
BALANCE AS AT 31 DECEMBER 2004	<u>3,725</u>

The accompany notes form an intergal part of the financial statements.

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CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 DECEMBER 2004

	Note	For the period 12.3.2004 (date of incorporation to 31.12.2004 S\$
CASH FLOW FROM OPERATING ACTIVITIES		
Net surplus for the period		2,275
Net cash generated from operating activities		<u>2,275</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from a third party		10,000
Net cash generated from financing activity		<u>10,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS		12,275
CASH AND CASH EQUIVALENTS AS AT 12 MARCH		-
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER		<u><u>12,275</u></u>

The accompany notes form an integral part of the financial statements.

SPACES COUNSELING AND COMMUNITY LIMITED
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NOTES TO THE FINANCIAL STATEMENTS, 31 DECEMBER 2004

1. PRINCIPAL ACTIVITIES AND REGISTERED OFFICE

The principal activities are to engage in charitable, social welfare and counseling and community work for the needy. The company is a charity registered under the Charities Act.

The registered office of the company is at 50 Raffles Place #17-01 Singapore Land Tower, Singapore 048623.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements, expressed in Singapore dollars, are prepared in accordance with the historical cost convention and in compliance with the Singapore Financial Reporting Standards.

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the financial period. Although these estimates are based on the directors' best knowledge of current event and actions, actual results may differ from those estimates.

The financial statements of the company for the financial period from 12 March 2004 to 31 December 2004 were authorised for issue by the directors on the date of Statement by Directors.

2.2 Cash at bank and in hand

Cash at bank and in hand are stated at cost.

2.3 Income recognition

Donation and income from events are taken up on a receipt basis.

2.4 Loan from a third party

Loan from a third party is stated at cost.

2.5 Deposit

Deposit is stated at cost.

3. **SHARE CAPITAL**

As the company is limited by guarantee, it has no share capital.

4. **GENERAL FUND**

In accordance with section 4 of the Memorandum of Association of the company, no portion of its income and property shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the company.

5. **LOAN FROM A THIRD PARTY**

Loan from a third party is unsecured, non-interest bearing and has no fixed terms of repayment.

6. **TAXATION**

The income of the company Ltd is exempted from income tax under Section 13M(2)(b) of the Singapore Income Tax Act, Cap. 134. Under Section 13M(2)(b), the income of any charitable institution will be exempt from tax if at least 80% of the donations and of its income after allowable deductions is applied for charitable purposes.

Amount to be expended by 31 December 2005	<u>S\$1,520</u>
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7. **DONATION AND INCOME FROM CHARITY EVENTS**

The donation and income derived from charity events during the period are as follows:-

	2004 S\$
Outright donations	5,948
Golden Girls project	4,445
Vaanavil project	630
	<u>11,023</u>

8. **NUMBER OF EMPLOYEES**

As at the balance sheet date, the company has no employee and is managed by the directors.

9. RISK MANAGEMENT

The company is exposed to the following risks through its normal operations.

i) Liquidity risk

The company is dependent on the generous support of the general public for donations to fund its operations.

ii) Interest rate risk

The company is not exposed to interest rate risk.

iii) Foreign exchange risk

The company is not exposed to any foreign currency risk as all of its transactions were carried out in local currency.

iv) Credit risk

The company is not exposed to any substantial concentration of credit risk in that other parties will not be able to meet their obligations to the company. Cash at bank is placed with credit worthy financial institution.

v) Fair value risk

The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due.

vi) Derivative instruments

The company does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the directors.