

ANNUAL REPORT 2004-2005

IP ACADEMY

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ABOUT IP ACADEMY

THE IP ACADEMY WAS ESTABLISHED IN JANUARY 2003 TO BE THE FOCAL POINT FOR IP EDUCATION, TRAINING AND THOUGHT LEADERSHIP DEVELOPMENT IN SINGAPORE AND THE REGION.

our **VISION**

“ To be the leading centre of excellence for IP Education and Thought Leadership development in the region ”

our **MISSION**

“ Building IP Capabilities:
To support IP Infrastructure development in Singapore ”

YOUR IP KNOWLEDGE PARTNER

In line with its objective to develop and broaden IP knowledge and capabilities, the Academy provides a wide range of executive training opportunities for IP professionals, business organisations, research institutions, and other IP creators and users.

"Although doing research can be fun, I was looking for another long-term perspective, as I didn't feel like doing or supervising experiments for the rest of my life. While doing a course on Economics, I had some contact with law and was impressed by the degree of preciseness of the language and options for arguments available. Taking the GCIP course was one more



stop on the road to intellectual property for me."

TORSTEN EXNER GCIP 2003/2004

Trainee patent agent, Viering Jentschura & Partner
(formerly a researcher, Bioprocessing Technology Institute)



"A healthy patent portfolio is a valuable asset to any company. Since the patent system was introduced in Singapore on 23 February 1995, the number of patent applications being filed here has been growing steadily. In fact, there has been a 76% increase in the number of patent applications filed by Singapore residents from 1995 to 2003. I believe that there is a greater awareness of the importance of patenting in Singapore among corporations, research institutes and individuals today."

UPASANA PATEL GCIP 2003/2004

Trainee patent agent, Lloyd Wise, a UK-based Intellectual Property firm.

"I think it is really good that IP management is progressing by leaps and bounds in Singapore. This gives additional credibility to the nation. It is very pertinent to the educational sector as educational institutions are bastions of intellectual capital. Awareness of IP issues will in a way, subtly inculcate a mindset of innovation."



DR SUSHILA CHANG GCIP 2003/2004

Senior Director, Ngee Ann Polytechnic and Director of Life Sciences & Chemical Technology.



PROFESSOR HANG CHANG
CHIEH
CHAIRMAN, IP ACADEMY



2004-2005 was an active and productive year for the Academy. The Academy conducted more than 40 IP courses in 2004 including our flagship postgraduate certification programme in IP, workshops and executive seminars. In addition to our core IP training programmes, the Academy also introduced a customised IP training programme for the media industry.

2004 was also a year that Singapore overhauled its IP laws in light of the technological, social and economic advances. With the coming into effect of the US-Singapore FTA in early 2004, and the new Singapore Competition Bill, we conducted seminars and workshops to update the public on the impending changes to the Singapore IP regime and its implications.

We continue to forge ahead with our IP thought leadership activities by commissioning research on current and critical IP issues that are relevant to the industry and policy makers.

The second half of the year also witnessed a change in the management of the Academy with the retirement of the Director and the Deputy Director, Gerald and Wee Loon in December 2004. We would like to thank Gerald and Wee Loon for their invaluable contribution in setting up and developing the Academy. In January 2005, we welcomed on board their successors, David Llewelyn and Lyn Ng who will lead the Academy as it enters its second phase of growth. We look forward to achieving greater heights under their able leadership.

The rapid changes manifesting in the global economy pose many challenges for the upcoming year. However, our vision remains clear – for the Academy to be the focal point for developing IP capabilities in Singapore and the region. The Board of Governors will continue to work with the new management and other stakeholders to realise this vision of being a global IP knowledge centre comparable to other leading IP institutions in the world.



thank my fellow Governors for their valuable support,
; the management and staff for their co-operation and
diligence, the alumni and faculty for their support and contributions in making the
past year a highly successful one!

PROFESSOR HANG CHANG CHIEH
CHAIRMAN, IP ACADEMY



DAVID LLEWELYN
DIRECTOR, IP
ACADEMY



It is with a combination of honour and humility that I have assumed the role of the Director of the Academy, following the retirement of Professor Gerald Dworkin in January 2005.

After a successful first year under the able stewardship of Gerald and Wee Loon, the Academy continued to chart a steady path in its second year. The flagship Graduate Certificate in IP Law (GCIP) programme attracted the highest number of admissions (of 40 students) since its inception in 2001. The Academy continues to contribute to the growing pool of IP talent in Singapore as GCIP alumni enter the IP profession as trainee patent agents and as others pursue successful careers in IP related fields with companies such as Philips and OSIM. Those who remain in their current employment have also been able to contribute to the growth of their company as businesses focus increasingly on deriving value from their intellectual assets.

We continue to deliver value-added courses to the IP community in Singapore with the introduction of new executive seminars and courses targeted at different segments of the market. We have also expanded our local and international network of knowledge partners by signing a memorandum of understanding with CAPTEL, NTU in June 2004. In January 2005, a memorandum of understanding was entered into between Korea's International Intellectual Property Training Institute and the Academy to collaborate on training and other capacity building projects.

The Academy has made significant inroads in the international IP arena. We collaborated with Fordham Law School in New York to organise the first Asian IP Law and Policy Day as part of the Annual Fordham Law Conference. Following the success of the first Fordham Asian Day conference, we partnered with Fordham Law School and Queen Mary Intellectual Property Institute in a successful Database Conference in Singapore in November 2004. We also worked with Academia Sinica, Taiwan and Munich's Max-Planck Institute in organising a 2 day conference on "New Paradigms for Copyright Laws" in Taiwan. Deputy Director Wee Loon was also invited to speak at the annual ATRIP conference and at the WIPO ministerial conference.

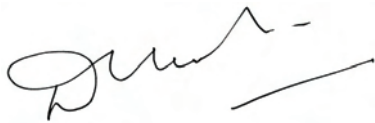
Since my appointment, I have also been invited in my capacity as the Director of the Academy to speak at INTA's regional conference, and at two IP conferences in Cambridge and London respectively. We also continue to forge closer ties with leading local research institutes such as A*Star by participating in their high level roundtable discussion on IP ownership and licensing.

The previous management laid solid foundations for the Academy by developing a strong base of core academic programmes. The challenge facing my team and me in the new year

is to develop new markets for our activities beyond Singapore, and to create more practical IP programmes that focus on the applied side of IP for Singapore-based businesses. In order to become the region's leading IP resource centre, we need to aggressively raise the profile of the Academy in Singapore and the region.

The challenges ahead for the Academy are exciting ones. The rapid changes manifesting themselves in the global economy will favour organisations that can respond quickly, decisively and intuitively – and that plays exactly to the strengths of the Academy. It is also my goal to build effective systems and foster an organisational culture that will enable the Academy to be even more nimble in a fast-changing dynamic global environment.

In order to forge ahead in 2005 to achieve our goals, as always we depend on the full support of our local and international partners, our faculty, the legal and business communities.



DAVID LLEWELYN
DIRECTOR, IP ACADEMY



LEFT TO RIGHT

PROF HANG CHANG CHIEH | Chairman, CMOST, National University of Singapore

MR LIEW HENG SAN | Chief Executive Officer, Central Provident Fund Board

MS LIEW WOON YIN | Director-General, Intellectual Property Office of Singapore

MR CHUA TAIK HIM | Asst Managing Director, Economic Development Board

MR PHILIP JEYARETNAM, SC | President, Law Society of Singapore

MS SERENE WEE | Director, Singapore Academy of Law

MR DAVID LLEWELYN | Director, IP Academy

PROF HELLMUT SCHUTTE | Dean, INSEAD (Asia Campus)

MS ELIZABETH BADER | Managing Director, Chicago Graduate School of Business (Singapore)

PROF TAN CHENG HAN | Dean, Faculty of Law, National University of Singapore

PROF TSUI KAI CHONG | Provost, SIM University

DR STANLEY LAI | Partner, Allen & Gledhill

MR JEFFERY TAN

MR JAN C. DE VISSER | General Manager, Philips Intellectual Property & Standards - Singapore/
Regional

PROF ANG PENG HWA | Dean, School of Communication and Information, Nanyang Technological
University

MANAGEMENT

Director

David Llewelyn (w.e.f 01.12.2004)

Deputy Director

Ng Lyn (w.e.f 01.12.2004)

REGISTERED OFFICE

6 Raffles Quay
#17-01 Singapore 048580

AUDITORS

Heng Lee Seng & Co.
Certified Public Accountants
300 Beach Road #38-05
The Concourse
Singapore 199555

LAWYERS

Harry Elias and Partners
9 Raffles Place #12-01
Republic Plaza
Singapore 048619

BANKERS

DBS Bank Limited (Buona Vista Branch)
Blk 43 Holland Drive
Level 1 #53-59
Singapore 270043

The Academy continues to strengthen its position as a reliable academic partner that delivers quality IP training programmes for Singapore.

POSTGRADUATE CERTIFICATION COURSES

- Graduate Certificate in IP Law (GCIP)
- A foundation law course for aspiring Singapore patent agents
The Academy's flagship GCIP programme enters its third year with a record number of admissions.



"I strongly believe a good understanding of IP protection is essential for any patent professional. The content covered in GCIP provides a solid foundation to keep up with developments in the field. I am confident the GCIP will be invaluable to my career development in the long run."

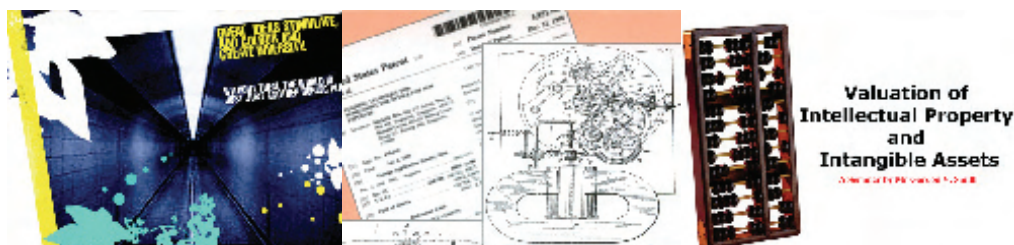
OH PIN PING GCIP 2004/2005

Trainee patent agent, Horizon IP

SHORT TERM IP COURSES

The Academy also introduced the following new short term IP training programmes during the year:-

- **Valuation of Intellectual Property and Intangible Assets**
- **IP Training Programme for the Media Industry**
- **Intangible Assets as Loan Collateral**
- **Negotiating and Drafting Technology Licensing Agreements**



2005-2006: A promising and colourful year for the Academy.

HIGHLIGHTS OF THE YEAR

Moving forward

- Move to new premises in Raffles Quay
 - Change in direction focusing on the applied side of IP; where the Academy will continue to enhance efforts on building more long term programmes and reach out to businesses, industries and the region
-
- Awarded approved training provider status by Law Society for the purposes of its Voluntary Minimum Continuing Professional Development Scheme (vMCPD)
-

New Programmes

- Trade Secrets and Privacy: How to Protect Your Business and Private Information
 - Strategies for Effective IP Management
 - Intangible Assets Management as a Core Corporate Value and Business Capability
 - Data Privacy: A Practical Approach to Protecting your Critical Information
-

Overseas Programmes:

- Recent Developments in US Patent Law and European Trademark Law, Fudan University, Shanghai
 - Struggling for Conherence: A Review of recent developments in the European Trademark Law, AIPPI, IPRIA, Sydney & Melbourne, Australia
-
- Recent Developments in US Patent Law and European Trademark Law, Korea
-

RESEARCH

NEW PROJECTS

The following research projects were launched by the Academy during the year:-

- **A Creativity Benchmarking Index: the ASAT Model**
 - This study is to establish an index to measure, track, evaluate and benchmark the performance and potential of the creative ecosystem in Singapore and to use this as a basis for international comparison.
- **An Empirical Study on the Extension of Copyright Regime**
 - The proposed study aims to be a comprehensive empirical test of the impact of copyright duration on the production of audio-visual work:
 - (i) at the aggregate level for all jurisdictions and all categories of audio-visual work
 - (ii) at the level of individual categories of audio-visual work – movies, TV series, TV movies, videos, shorts and
 - (iii) at the level of individual jurisdictions
- **Legal Treatment of Digital Archives**
 - This research focuses on the legal treatment of archival material in Singapore, in particular the laws in Singapore (Copyright, Contract and other laws) that could influence the removal of material from archives and libraries by archives/libraries and publishers/copyright owners in Singapore.
- **Reach Through Claims in Patents for Research Tools and Reach Through Obligations in Agreements licensing the Use or Exploitation of such tools**
 - The research project examines the impact of reach through patent claims on indigenous biotechnology and/or pharmaceutical R&D or business in Singapore and are reach-through royalty obligations on licensees enforceable under competition law.

COMPLETED PROJECTS

The findings of the following completed research projects were shared with the public during the year:-

- **A Seminar on “Would Singapore benefit from a Utility Model Regime? An Empirical Study”, April 2005**
- **A Seminar on “Innovation, Intellectual Property Creation & Usage in Singapore Firms”, 28 February 2006**

Publication of Research Papers:-

- Prof Chow Kit Boey, Senior Fellow and Mr Leo Kah Mun, economics researcher published the report “Economic Contribution of Copyright Based Industries in Singapore” in the Review of Economic Research on Copyright Issues. (Dec 2005 Issue)

CONFERENCES, LECTURES AND ROUNDTABLES

During the year, the Academy continued to establish its reputation as an internationally renowned centre for thought leadership, through the participation of the Academy's faculty members at various international symposium:

CONFERENCES -

- WIPO Asia - Pacific Regional Symposium on Policies and Strategies for Copyright and Copyright- Related Industries**
Presented by Prof Chow Kit Boey, Senior Fellow
24-26 May 2005, Hangzhou, China
- SERCI Annual Congress 2005 - Economic Contribution of Copyright Based Industries in Singapore**
Presented by Prof Chow Kit Boey, Senior Fellow
7-8 July 2005, Montreal, Canada
- A- TRIP Conference - IP Juris Project**
Presented by Prof Steven Ang, Senior Fellow
11-13 May 2005, Montreal Canada
- The Legal Future of P2P "File Sharing" Software: A Global Analysis**
Jointly organised by Queen Mary Intellectual Property Research Institute, Fordham University and IP Academy
Presented by Dr Stanley Lai, Governor and Prof Daniel Seng, Senior Fellow
November 2005, London
- Regional Diagnostics Asia Conference - From Lab to Marketplace- The IP Issues**
Presented by Ms Audrey Yap, Adjunct Fellow
19-20 January 2006, Singapore
- Stockholm Conference on "Intellectual Property in Transition"**
Organised by the University of Stockholm, Sweden
Attended by David Llewelyn, Director and Lyn Ng, Deputy Director
Novemeber 2005, Stockholm, Sweden

PUBLIC LECTURE -

“Partnership between Singapore & LDC’s for building IP Institutions for stimulating economic growth, and implementation of the TRIPS Agreement and Recent Developments in the Protection of Traditional Knowledge in South East Asia”

Prof Christoph Anton,

Professor of Comparative Law and Director, centre for Comparative Law and Development Studies in Asia and the Pacific, University of Wollongong

His Excellency Ambassador Samuel Amehou,

Permanent Representative of the Republic of Benin to the UN and WTO

22 February 2006

The lectures discussed the role that Singapore could play in helping the LDCs develop their IP systems to create economic wealth and the various forms and beneficiaries of traditional knowledge in Asia, specifically in India, Indonesia and Philippines.

ROUNDTABLES -

- **Scaling the Great Wall: Enhancing IP Value in China**

12 August 2005

Practical tips and strategies for building and enforcing IP Value when doing business in China

- **Reach Through Patent Claims in the Biotech Industry**

20 September 2005

A discussion about the applicability of reach-through patents in the Singapore Biotech industry

- **On the Couch with Brad Smith, General Counsel, Microsoft**

26 September 2005

The objective was to share views on the strategic importance of fostering a more conducive IP ecosystem that encourages innovation in Singapore

- **Informal Experts Meeting on Traditional Knowledge (TK), Genetic Resource (GR) and Folklore (FL)**

18 October 2005

The objective was to formulate a blueprint for the development of TK, GR and FL in ASEAN to discuss the way forward for WIPO and the ASEAN countries

- **The future of Copyright Liabilities on the Internet: Grappling with P2P File Sharing of Digital Media**

16 February 2006

This roundtable discusses the issues arising from the Grokster case and consider the future of copyright law in the post Grokster era. It will also consider how Grokster will affect those who have to work in advance innovation and the pitfalls in developing and marketing new technologies

ACADEMIC INSTITUTION ENHANCEMENT PROGRAMME

The Academy also supported the local IHLs in the development of IP modules for inclusion in their curriculum. During the year, the Academy initiated two programmes as follows:-

- **Module on IP Management for NUS Masters of Technology**
Faculty of Engineering, National University of Singapore
Visiting Professor: Prof Liu Shang Jyh
- **IP Valuation And Finance**
Singapore Management University
Visiting Lecturer: Gordon Smith

RESEARCH SCHOLARSHIPS

The Academy awards research scholarships to local and international students who wish to pursue postgraduate studies in IP law and related fields (e.g IP valuation, economics of IP) at Singapore universities.

Three scholarships have been awarded to-date.

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REPORT OF DIRECTORS

The directors present their report together with the audited financial statements of the Company for the financial year ended March 31, 2005.

01 DIRECTORS

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

Prof. Hang Chang Chieh

Mr Liew Heng San

Ms Liew Woon Yin

Ms Elizabeth Anne Bader

Mr Chua Taik Him

Dr Stanley Lai Tze Chang

Prof. Hellmut Schutte

Prof. Tan Cheng Han

Mr Jeffery Tan Eng Heong

A/P Tsui Kai Chong

Ms Serene Wee Kheng Lian

Mr Philip Antony Jeyaretnam

Mr Gordon Ionwy David Llewelyn (Appointed on December 1, 2004)

Prof. Ang Peng Hwa (Appointed on January 28, 2005)

Mr Jan De Visser (Appointed on January 28, 2005)

02 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 whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debenture in the Company or any other body corporate.

03 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The Company is a company limited by guarantee. Accordingly, Section 201(6)(g) is not applicable.

04 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Singapore Companies Act, 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 except as disclosed in the financial statements.

05 OPTION TO TAKE UP UNISSUED SHARES

The Company is a company limited by guarantee. During the financial year, no options to take up unissued shares of the Company was granted.

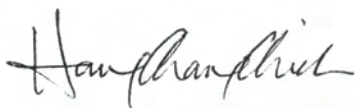
06 OPTION EXERCISED

The Company is a company limited by guarantee. During the financial year, there were no shares of the Company issued by virtue of the exercise of an option to take up unissued shares.

07 UNISSUED SHARES UNDER OPTION

The Company is a company limited by guarantee. At the end of the financial year, there were no unissued shares of the Company under option.

ON BEHALF OF THE DIRECTORS



PROFESSOR HANG CHANG CHIEH
CHAIRMAN



GORDON IONWY DAVID LLEWELYN
DIRECTOR

JUNE 15, 200

AUDITORS' REPORT TO THE MEMBERS OF IP ACADEMY

We have audited the financial statements of the IP Academy (the "Company") set out on pages 23 to 30 for the financial year ended March 31, 2006. 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 statements presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards so as to give a true and fair view of:-
 - (i) the state of affairs of the company as at March 31, 2006 and of the results, changes in equity and cash flows of the Company for the financial year ended on that date; and
 - (ii) the matters required by Section 201 of the Act to be dealt with in the financial statements of the company; 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.

Certified Public Accountants

Singapore: 15 June 2006

BALANCE SHEET MARCH 31, 2006

	NOTE	2006 \$	2005 \$
GOVERNMENT GRANTS	4	406,490	554,388
Represented by:			
NON-CURRENT ASSETS			
Property, plant and equipment	5	256,758	87,197
CURRENT ASSETS			
Trade receivables	6	29,125	11,345
Other receivables and prepayments	7	161,387	19,610
Cash and cash equivalents	8	270,383	969,992
Total current assets		460,895	1,000,947
Less:			
CURRENT LIABILITIES			
Trade payables	9	224,403	449,256
Accrued expenses	10	86,760	84,500
Other payables			
Total current liabilities		311,163	533,756
NET CURRENT ASSETS		149,732	467,191
NET ASSETS		406,490	554,388

The annexed notes form an integral part of and should be read in conjunction with these financial statements

PROFIT AND LOSS STATEMENT
Year ended March 31, 2006

	NOTE	2006	2005
		\$	\$
REVENUE			
	11	589,489	611,328
Programme expenditure		(728,952)	(1,443,088)
Deficit of revenue over programme expenditure		(139,463)	(831,760)
Other operating income	11	1,623	-
Finance income	12	1,839	275
Other operating expenses		(1,704,713)	(1,686,927)
Excess of expenditure over income before government grants	13	(1,840,714)	(2,518,412)
Amount transferred from government grants		1,840,714	2,518,412
Results for the financial year		-	-

See accompanying notes to financial statements.

CASH FLOW STATEMENT

Year ended March 31, 2006

	NOTE	2006 \$	2005 \$
Cash flows from operating activities:			
Excess of expenditure over income		(1,840,714)	(2,518,412)
Adjustments for:			
Depreciation of property, plant and equipment	5	120,032	142,411
Gain on disposal of property, plant and equipment	11	(1,623)	-
Property, plant and equipment written off		1,936	-
Interest income	12	(1,839)	(275)
Operating deficit before working capital changes		(1,722,208)	(2,376,276)
Net (increase)/decrease in working capital	16	(382,150)	61,486
Net cash used in operating activities		(2,104,358)	(2,314,790)
Cash flows from investing activities:			
Proceeds from disposal of property, plant and equipment		2,068	-
Purchase of property, plant and equipment	5	(291,974)	(8,355)
Interest received		1,839	275
Net cash used in investing activities		(288,067)	(8,080)
Cash flows from financing activities:			
Grants received from government	4	1,692,816	1,909,693
Net cash from financing activities		1,692,816	1,909,693
Net decrease in cash and cash equivalents		(699,609)	(413,177)
Cash and cash equivalents at beginning of year		969,992	1,383,169
Cash and cash equivalents at end of year	8	270,383	969,992

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

March 31, 2006

01 GENERAL

IP Academy ("the company") is domiciled and incorporated in the Republic of Singapore as a company limited by guarantee with its registered office at 6 Raffles Quay #17-01 Singapore 048580.

The principal activities of the company during the financial year are to promote education, research and scholarship in the field of intellectual property.

These financial statements were authorised for issue in accordance with a resolution of the directors on 15 June 2006.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF PREPARATION OF FINANCIAL STATEMENTS - The financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and provisions of the Singapore Companies Act. The company has adopted all the applicable new/revised FRS that is applicable in the current financial year. The adoption of the new/revised FRS does not affect the results of the company for the current or prior periods.

The financial statements which relate to the financial statements of the company, are prepared on the historical cost basis except financial assets and financial liabilities which are stated at fair value or amortised costs. Amounts are expressed in Singapore dollar unless stated otherwise.

FINANCIAL CURRENCY - As grants and expenditure are denominated primarily in Singapore dollar and receipts from operations are usually retained in Singapore dollar, the directors are of the opinion that the Singapore dollar reflects the economic substance of the underlying events and circumstances relevant to the company and consequently Singapore dollar is the functional currency of the company.

PROPERTY, PLANT AND EQUIPMENT - Property, plant and equipment are carried at cost less accumulated depreciation and any impairment loss where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Depreciation is charged so as to write off the cost of assets over their estimated useful lives using the straight line method on the following bases:-

	% per annum
Leasehold improvements	50
Furniture and fittings	33
Office equipment	33
Computers	50

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date.

PROPERTY, PLANT AND EQUIPMENT (CONT'D)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit or loss.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the company and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

INVESTMENTS IN FINANCIAL ASSETS**(i) Classification**

The company classifies its investments in financial assets as loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss is not revocable.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of trading the receivable. They are included in current assets, except those maturing more than 12 months after the balance sheet date in which case they are classified as non-current assets. Loans and receivables are included in trade and other receivables on the balance sheet [Note 2 (e)].

(ii) Recognition and derecognition

Purchases and sales of investments are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the company has transferred substantially all risks and rewards of ownership.

(iii) Initial measurement

Financial assets are initially recognised at fair value plus transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value.

(iv) Subsequent measurement

Loans and receivables are carried at amortised cost using the effective interest method.

(v) Determination of fair value

If the market for a financial asset is not active, the company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models refined to reflect the issuer's specific circumstances.

(vi) Impairment

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

TRADE RECEIVABLES - Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less allowance for impairment. An allowance for impairment of trade receivables is established when there is objective evidence that the company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in profit or loss.

CASH AND CASH EQUIVALENTS - Cash and cash equivalents are defined as cash on hand, demand deposits and short-term, highly liquid investments readily convertible to known amounts of cash and subject to insignificant risk of changes in value.

For the purpose of Cash Flow Statement, cash and cash equivalents includes bank overdrafts.

IMPAIRMENT OF ASSETS - The carrying amounts of the assets, other than inventories, are reviewed at each balance sheet date to determine whether there is any indication of impairment loss. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable amount. Impairment loss is charged to profit or loss unless it reverses a previous revaluation, credited to equity, in which case it is charged to equity.

TRADE PAYABLES - Trade payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

FAIR VALUE ESTIMATION - The carrying amount of current receivables and payables are assumed to approximate their fair values. The fair value of financial liabilities for disclosure purposes is estimated by discounting the future contractual cash flows at the current market interest rate that is available to the company for similar financial instruments.

LEASES -

When the company is lessee:

Operating lease

Lease where a significant portion of the risks and rewards of ownership are retained by the lessor is classified as an operating lease.

Rental on operating lease is charged to profit or loss on a straight-line basis over the term of the relevant lease.

When an operating lease is terminated before the lease period has expired any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

PROVISIONS - A provision is recognised when the company has a present obligation (legal or constructive) 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.

REVENUE RECOGNITION - 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.

Revenue from training course

Revenue from training course fees is recognised at the time when services are rendered. Accordingly, revenue from courses that run over a longer duration is recognised over the period of such courses. Advance billings made to customers are included in “deferred income” in Notes to the financial statements.

Income from organising of research project conference

Income generated from the organising of research project conference is recognised at the time when services are rendered.

Interest income

Interest is recognised on a time proportion basis.

EMPLOYEE BENEFITS - Defined contribution plan

Payments to defined contribution retirement benefit plans such as Singapore Central Provident Fund are charged as an expense when incurred.

Short-term benefits

All short-term employee benefits including accumulating compensated absences are recognised in profit or loss in the period in which the employees rendered their services to the company.

GOVERNMENT GRANTS - Government grants are accounted for on an actual basis. The grants are amortised to the profit or loss to match the related expenditure when incurred. Interest income earned from placement of funds from grants received are credited to the profit or loss.

FOREIGN CURRENCY TRANSACTIONS - Transactions in foreign currencies are translated into the functional currency using the exchange rates approximating those ruling at the transaction dates. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities are taken to profit or loss. Foreign currency monetary assets and liabilities are translated into Singapore dollar at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to profit or loss.

03 CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company does not make any critical accounting estimates and judgements.

04 GOVERNMENT GRANTS

	2006	2005
	\$	\$
Balance at beginning of year	554,388	1,163,107
Grants received during the year	1,692,816	1,909,693
Grants amortised	(1,840,714)	(2,518,412)
Balance at end of year	406,490	554,388

05 PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements	Furniture & Fitting	Renovation	Office Equipment	Computer	Total
	\$	\$	\$	\$	\$	\$
2006						
Cost						
At 1 Apr 2005	52,000	62,834	-	90,244	196,593	401,671
Additions	-	27,906	231,218	10,846	22,004	291,974
Disposal	(52,000)	(60,631)	-	(12,610)	(16,980)	(142,221)
At 31 Mar 2006	-	30,109	231,218	88,480	201,617	551,424
Accumulated Depreciation						
At 1 Apr 2005	36,833	54,456	-	53,871	169,314	314,474
Charge for the year (Note 13)	15,167	10,037	38,536	26,013	30,279	120,032
Disposals	(52,000)	(59,190)	-	(11,670)	(16,980)	(139,840)
At 31 Mar 2006	-	5,303	38,536	68,214	182,613	294,666
Net Carrying Amount						
At 31 Mar 2006	-	24,806	192,682	20,266	19,004	256,758

05 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improvements \$	Furniture & Fitting \$	Office Equipment \$	Computer \$	Total \$
2005					
Cost					
At 1 Apr 2004	52,000	62,834	85,624	192,858	393,316
Additions	-	-	4,620	3,735	8,355
At 31 Mar 2005	52,000	62,834	90,244	196,593	401,671
Accumulated Depreciation					
At 1 Apr 2004	10,833	43,628	26,117	91,485	172,063
Charge for the year (Note 13)	26,000	10,828	27,754	77,829	142,411
At 31 Mar 2005	36,833	54,456	53,871	169,314	314,474
Net Carrying Amount					
At 31 Mar 2005	15,167	8,378	36,373	27,279	87,197

06 TRADE RECEIVABLES

	2006 \$	2005 \$
Amount due from Intellectual Property Office of Singapore	-	150
Outside Parties	29,125	11,195
	29,125	11,345

(a) Trade receivables are denominated in Singapore dollar.

(b) The carrying amounts of current trade receivables approximate their fair value.

07 OTHER RECEIVABLES AND PREPAYMENTS

	2006 \$	2005 \$
Other deposits	18,300	150
Prepayments of operating expenses	115,142	19,460
Deferred expenses	27,945	-
	161,387	19,610

(a) Other receivables and prepayments are denominated in the following currencies:-

Singapore dollar	136,417	19,610
United States dollar	24,970	-
	161,387	19,610

(b) The carrying amount of current other receivables approximate their fair value.

08 CASH AND CASH EQUIVALENTS

	2006	2005
	\$	\$
Cash and bank balances	223,510	969,992
Outside Parties	46,873	-
	270,383	969,992

(a) Cash and cash equivalents are denominated in Singapore dollar.

(b) The carrying amounts of cash and cash equivalents approximate their fair value.

(c) Short-term fixed deposits at the balance sheet date have an average maturity of 30 months (2005: Nil months) from the end of the financial year with the following weighted average effective interest rates:-

	2006	2005
Singapore dollar	1.8%	

(d) The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 17.

09 TRADE PAYABLES

	2006	2005
	\$	\$
Outside parties	53,059	125,383
Accrued operating expenses	171,344	323,873
	224,403	449,256

(a) Trade payables are denominated in the following currencies:-

Singapore dollar	183,739	373,236
United States dollar	28,124	55,915
	12,540	20,105
	224,403	449,256

(b) The carrying amounts of current trade payables approximate their fair value.

10 DEFERRED INCOME

	2006	2005
	\$	\$
Deferred income	86,760	84,500

(a) Deferred income is denominated in Singapore dollar

(b) The carrying amounts of current deferred income approximate their fair value.

11 REVENUE

	Note	2006 \$	2005 \$
Training course income		562,177	573,364
Research project funding		20,000	-
Conference income		7,312	37,964
Total revenue		589,489	611,328
Other operating income:			
- gain on disposal of property, plant and equipment	13	1,623	-
Interest income	12	1,839	275
		592,951	611,603

12 FINANCE INCOME

	Note	2006 \$	2005 \$
Interest income on bank accounts	11	1,839	275

13 EXCESS OF EXPENDITURE OVER INCOME BEFORE GOVERNMENT GRANTS

The following items have been included in arriving at excess of expenditure over income before government grants:-

	Note	2006 \$	2005 \$
Charging/(crediting):			
Depreciation of property, plant and equipment	5	120,032	142,411
Gain on disposal of property, plant and equipment	11	(1,623)	-
Key management personnel compensation		227,500	226,146
Staff costs (including those of working directors) which include costs of defined contribution plans of \$74,064 (2005: \$61,773)		1,087,917	987,228

14 INCOME TAX EXPENSE

The company has been registered as a charity under the Charities Act, 1994 with effect from 10 May 2004. Under such status, the company on compliance with certain conditions of the Income Tax Act is exempted from income tax.

15 LEASE COMMITMENTS***Operating lease commitments - where the company is the lessee***

Rental expense in respect of lease of office for the year was \$102,136 (2005: \$77,695).

The company leases its office under operating leases. The leases are generally entered into for a period of 2 to 5 years, with an option to renew the lease after that date. None of the lease includes contingent rentals. Future minimum rentals under non-cancellable leases are as follows:-

	2006 \$	2005 \$
Not later than 1 year	187,490	58,800
Later than 1 year but no later than 5 years	328,107	-
	<u>515,597</u>	<u>58,800</u>

16 CHANGES IN WORKING CAPITAL

	2006 \$	2005 \$
<i>(Increase)/decrease in working capital:</i>		
Trade receivables	(17,780)	10,980
Other receivables and prepayments	(141,777)	(17,945)
Trade payables	(224,853)	42,951
Deferred income	2,260	25,500
<i>Net (Increase)/decrease in working capital</i>	<u>(382,150)</u>	<u>61,486</u>

17 FINANCIAL RISKS AND MANAGEMENT

The main risks arising from the company's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised as follows:

Interest rate risk

The company's exposure to market risk for changes in interest rates relates primarily to the company's fixed deposits accounts. The company manages this exposure by performing ongoing evaluation of its fixed deposits to obtain the most favourable rates.

Credit risk

The company has a credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Credit evaluations are performed on all customers requiring credit over a certain amount.

As at the balance sheet date, there was no significant concentration of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Cash and fixed deposits are held with credit worthy financial institutions.

17 FINANCIAL RISKS AND MANAGEMENT (CONT'D)***Liquidity risk***

In the management of liquidity risk, the company monitors and maintains a level of cash and bank balances deemed adequate by the management to finance the company's operations and mitigate the effects of fluctuations in cash flows.

Foreign currency risk

The company has exposure to foreign currency risk as a result of transactions denominated in foreign currencies arising from normal trading activities. The directors believe that the foreign currency risk is manageable. Hence, the company does not use derivative financial instruments to mitigate this risk.

Fair values

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

18 COMPARATIVE INFORMATION

The financial statements for prior year were audited by another firm of public accountants and are presented for comparative purposes.

**SUPPORTING SCHEDULES FOR THE FINANCIAL YEAR ENDED
March 31, 2006**

01. PROGRAMME EXPENDITURE

	2006	2005
	\$	\$
Academy Enhancement Honorarium	52,285	296,521
Core Competency Honorarium	330,653	376,345
Programme support (inc library)	133,750	80,598
Research expenses	81,802	514,361
Thought leadership expenses	130,462	175,263
	<u>728,952</u>	<u>1,443,088</u>

02. OTHER OPERATING EXPENSES

	2006	2005
	\$	\$
Property, plant and equipment written off	1,938	4,297
Audit fee		
- current year	7,000	14,348
- prior year	6,380	-
Bank charges	3,921	457
Board expenses	532	-
Consultants	19,405	68,643
CPF	74,064	61,773
Director's remuneration	227,500	226,146
Depreciation of property, plant and equipment	120,032	142,411
Entertainment	1,594	3,066
Insurance - General	1,962	1,290
Insurance - Medical	5,922	1,926
IT maintenance	42,567	49,322
Legal fee	9,457	914
Maintenance - office	16,513	21,579
Medical	4,155	4,000
Marketing general	164,566	223,058
General expenses	38,231	-
Postage & courier	2,760	5,384
Printing & stationery	30,939	36,416
Provision for short- term accumulating compensated absences	22,619	-
Refreshment	3,038	3,136
Rental	102,136	77,695
Salaries	735,533	676,502
Secretarial fee	2,079	1,629
Staff training	1,504	5,881
Staff welfare	14,735	1,696
Professional fee	4,625	-
Telephone charges	12,766	9,860
Temporary staff	7,807	11,230
Transportation	2,859	2,108
Travel	2,507	20,272
Utilities	13,107	11,888
Withholding tax	(40)	-
	<u>1,704,713</u>	<u>1,686,927</u>

BALANCE SHEET
March 31, 2006
 (With cents for internal use only)

	\$
Government grants	<u>406,489.35</u>
Represented by :-	
Non-current assets	
Property, plant and equipment	256,758.07
Current assets	
Trade receivables	29,125.00
Other receivables and prepayments	161,386.72
Cash and cash equivalents	<u>270,383.37</u>
	<u>460,895.09</u>
Deduct:	
Current liabilities	
Trade payables	224,403.81
Deferred income	<u>86,760.00</u>
	<u>311,163.81</u>
Net current assets	149,731.28
Net assets	<u><u>406,489.35</u></u>

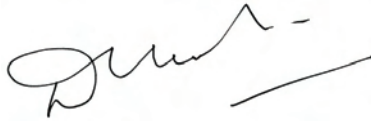
STATEMENT OF DIRECTORS

In the opinion of the directors, the financial statements set out on pages 19 to 31 are drawn up so as to give a true and fair view of the state of affairs of the Company as at March 31, 2006 and of the results and cash flows of the Company for the year then ended and at the date 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 DIRECTORS



PROFESSOR HANG CHANG CHIEH
CHAIRMAN



GORDON IONWY DAVID LLEWELYN
DIRECTOR

JUNE 7, 2005

Proof read and footings checked

By to casted by on 2006



CREATING AN EDGE IN
THE KNOWLEDGE ECONOMY

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