



IP academy
SINGAPORE

**ANNUAL REPORT
2006/2007**

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ABOUT THE IP ACADEMY

THE IP ACADEMY (SINGAPORE) WAS ESTABLISHED IN JANUARY 2003 AS A NATIONAL INITIATIVE DEDICATED TO THE DEEPENING AND BROADENING OF SINGAPORE'S KNOWLEDGE AND CAPABILITIES IN INTELLECTUAL PROPERTY (IP) PROTECTION, EXPLOITATION AND MANAGEMENT.

IT AIMS TO BE THE FOCAL POINT FOR IP EDUCATION, TRAINING AND THOUGHT LEADERSHIP DEVELOPMENT IN SINGAPORE AND THE REGION.

our **VISION**

With the emergence of IP as a cornerstone of the knowledge economy in the 21st Century, our vision is to be the leading centre of excellence for executive IP education and thought leadership development in Singapore and the region. We hope to become a world-class resource in the region for the development of knowledge and capabilities in the protection, exploitation and management of IP.

&

our **MISSION**

The IP Academy intends to achieve its vision through two key strategies:

- the development of practical IP training and educational courses for IP professionals, business managers/leaders, inventors and creators; and
- the development of various IP thought leadership programmes including conducting cutting edge multi-disciplinary research into IP and related areas, and organizing high-level conferences & roundtables.

The IP Academy seeks to stay relevant by offering programmes that enable participants to keep abreast of the latest developments in the ever changing global IP landscape. Through its extensive international network with other leading IP institutions, professional bodies and industry partners, the IP Academy seeks to enhance the knowledge of IP professionals and businesses, helping them to maximise their human capital.



“The IP Academy has created a breadth of IP programmes combining business, management and legal perspectives, building up IP capabilities in Singapore to a new level.”

The IP Academy has come a long way since its inception in 2003. Back then, Singapore had just started to wake up to the value IP could bring to its local industry and in maintaining the country's competitive advantage. However, as noted by founding Chairman Professor Hang Chang Chieh in his 2004 message, a gap existed in translating IP assets generated from Singapore's innovative and R&D activities into valuable, well-managed business assets.

Three years down the road, Singapore has progressed further up the IP value chain. Much has been done to integrate IP into national development policies and programmes and to encourage local companies to integrate IP management into their business strategies. It is certainly encouraging to note that local companies such as Trek, Stikfas, and Ya Kun, from diverse industry sectors, have identified IP as a key asset that drives their business. Economic agencies have identified IP as an enabler for continued business growth and are doing much to encourage more companies to seek assistance in identifying and managing these assets.

I believe that the IP Academy has done its part in supporting Singapore's growth in aligning its education and training programmes to meet the national needs. The IP Academy has created a breadth of IP programmes combining business, management and legal perspectives, building up IP capabilities in Singapore to a new level. This past year has been productive for the IP Academy with diverse programmes that probed into the whole cycle of IP creation, protection and exploitation. These included courses on intellectual asset management, competitive intelligence, IP valuation and taxation.

However, IP skills without the knowledge and understanding that international exposure brings, would be tools wielded without much finesse. The IP Academy's thought-leadership activities complement its education and training programmes by providing external perspectives and opportunities for local professionals and industry to network with others in the field. Its flagship thought-leadership programme, the Global Forum on IP (GFIP) was launched in Singapore in August 2006. Over 500 practitioners, academics, policy makers and industry leaders from around the world forged strategic ties and shared experiences, expertise and knowledge. The IP Academy aims to establish the GFIP as a key international event on the IP community's calendar of activities, and as a knowledge platform for cutting edge IP developments and practices.

These are interesting times as the IP Academy looks at entrenching its education and training programmes even deeper in Singapore and in reaching out to the region. We look forward to an even more vibrant future ahead!

A handwritten signature in black ink, appearing to be 'Tan Guong Ching', with a long horizontal line extending to the right.

Mr Tan Guong Ching
Chairman, IP Academy

“The IP Academy is uniquely positioned, within Singapore and the region, to be the leading centre of excellence for executive intellectual property education and thought leadership development.”



The global intellectual property landscape changes constantly. As each country sees the world as a market, the increasing role of intellectual property cannot be ignored. The IP Academy is uniquely positioned, within Singapore and the region, to be the leading centre of excellence for executive intellectual property education and thought leadership development.

As we build on our programmes, we look forward to support from various stakeholders of the intellectual property system within Singapore and the rest of the world. For this, we also have Mr David Llewelyn continuing as our External Director to focus on strategising, promoting and executing the IP Academy's international conferences and advising on training programmes and research activities.

As we approach our fifth anniversary, the challenges ahead for the IP Academy are interesting and some may even say daunting. But these challenges are not insurmountable. We are ready for these challenges and look forward to working with our Board of Governors, Faculty and stakeholders. On this note, the management team of the IP Academy would like to thank everyone including the excellent staff team for their enduring support and efforts.

A handwritten signature in black ink, appearing to read 'Ho Cheng Huat'.

Ho Cheng Huat
Director, IP Academy
As at August 2007

Our Board of Governors as at 31 March 2007 comprises the following:



LEFT TO RIGHT

MR TAN GUONG CHING (Chairman, IP Academy) | Chairman, Singapore Technologies Telemedia Pte Ltd

MR GEOFFREY YU (Deputy Chairman, IP Academy) | Senior Specialist Advisor, Ministry of Law

ASSOC PROF ANG PENG HWA | Chair, Wee Kim Wee School of Communication and Information, Nanyang Technological University

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

DR RICHARD KWOK | Senior Vice President & Chief Technology Officer, Singapore Technologies Kinetics Limited

DR STANLEY LAI | Partner and Head of Intellectual Property & Technology, Allen & Gledhill

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

MR DAVID LLEWELYN (External Director, IP Academy) | Professor, King's College London

ASSOC PROF LOY WEE LOON | Faculty of Law, National University of Singapore

PROF PANG ENG FONG | Dean, Lee Kong Chian School of Business, Singapore Management University

MR PNG CHEONG BOON | Deputy Chief Executive, Standards, Productivity and Innovation Board (SPRING)

MR SURESH SACHITHNANTHAN | Director, Legal Department, Agency for Science, Technology and Research (A*Star)

MR JEFFERY TAN | Director & International Partner (Asia Corporate and Technology Practice), DLA Piper International LLP

DR TAN SZE WEE | Group Managing Director & Chief Executive Officer, Rockeby Biomed Corporation Ltd

PROF TSUI KAI CHONG | Professor of Finance and Provost, SIM University

BG (NS) YAP ONG HENG | Deputy Secretary, Ministry of Law

MANAGEMENT**Director****Ho Cheng Huat**

Cheng Huat is responsible for the overall management of the IP Academy and building up a portfolio of quality IP education, training and research programmes to meet the needs of the Singapore economy as well as to tap the demand for IP education and training of markets elsewhere.

External Director**David Llewelyn**

David's core focus areas are in strategising, promoting and executing the IP Academy's key international conferences (such as its Global Forum on IP), and providing advice on the Academy's training programmes and research activities.

Deputy Director**Rose Ramli**

Rose oversees the day-to-day management of the IP Academy, the development of its education, training & research programmes, and strategic & international linkages.

REGISTERED OFFICE

6 Raffles Quay #17-01
Singapore 048580

COMPANY/ CHARITY REGISTRATION

Company Registration Number : 200300851Z
Charity Registration Number: 1691

AUDITORS

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

BANKERS

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

LAWYERS

Drew & Napier LLC
20 Raffles Place
#17-00 Ocean Towers
Singapore 048620

MILESTONES APRIL 2006 - MARCH 2007

Establishing High Standards in IP Capabilities

- Inaugural cohort admitted in August 2006 for the *Master of Science in IP Management* programme.

Reaching Out to Meet Diverse Needs

- Launched a new initiative for the Creative Industries, a two-part course on *Performing Arts Management: Copyright and Performing Rights for Practitioners*
- *MOUs signed with Polytechnics* (Nanyang, Ngee Ann, Republic, Singapore and Temasek) to develop a specialised IP training programme for faculty and technology transfer officers
- Masterclasses on *Navigating the Silk Road* were held in May 2006 for industry and professionals interested in understanding the issues in doing business in China.

Flying the IP Flag in Singapore

- The inaugural *Global Forum on IP (GFIP)* was held in August 2006 in Singapore. This was the first multi-disciplinary IP conference in the Asia-Pacific region organised by a home-grown entity covering main IP rights, as well as enforcement and business issues.

Building International Linkages

- The *Shanghai Digital Forum* conducted by the IP First Society in Shanghai, and supported by the IP Academy, was held in April 2006. This was IP Academy's first foray into the People's Republic of China on such a large scale. Later in the year the *Creative Entrepreneurship Summit 2006 – the Art of Effectively Creating, Managing and Measuring Intellectual Assets* was organised jointly by the IP First Society and the IP Academy in Beijing.

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

POST-GRADUATE CERTIFICATION PROGRAMMES

- **Graduate Certificate in IP Law (GCIP)**
A foundation law course providing a solid grounding in the legal regime for protection of trade marks, copyright, designs & patents, as well as the application and interface of IP specialised areas such as Biotechnology, IT, and Competition.
Cohort admitted for 2006/2007 academic year: 6th intake
- **Masters of Science in IP Management**
This programme is a comprehensive inter-disciplinary post-graduate one; uniquely bridging law, technology, science, engineering and management.
Cohort admitted for 2006/2007 academic year: 1st intake

EXECUTIVE TRAINING

During the year, the IP Academy's executive training programmes focus on the practical and business perspectives of IP. The range of courses conducted in 2006/2007 includes:

- **IP Engineers' Training Course (into its 5th year)**
- **Structure & Analysis of Patents**
- **Intellectual Assets Management as a Core Corporate Value**
- **A Primer on Trade Mark Law and Practice for Legal Support**
- **Competitive Intelligence: Exploiting the Power of Patent Data & Scientific Literature**
- **EPO Search & Examination Practice: Guidance from Examiners**
- **From the Amazon to Zanzibar: Place Names as Trademarks & Geographical Indications**
- **Performing Arts Management: Copyright & Performing Rights for Practitioners**
- **Negotiating Skills for IP-related Technology Transactions**
- **Negotiating and Drafting of R&D Agreements**
- **Value of Trade Secrets: Maintaining and Enhancing Your Competitiveness**
- **Technology Licensing Today: Do's & Don'ts**
- **Negotiating Financial Terms in IP Licences**

RESEARCH

NEW PROJECT

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

- **Asia Pacific IP Scorecard**

The proposed IP scorecard will allow for benchmarking of national performance in translating R&D into IP-protected assets and the quality of these IP assets.

RESEARCH PUBLICATIONS BY OUR FELLOWS

- **Copyright: A Plea for Empirical Research (Jul 2006 Issue)**

By Prof Ivan Png, Professorial Fellow

- **Copyright Duration and the Supply of Creative Work (Sept 2006 Issue)**

By Prof Ivan Png, Professorial Fellow and Wang Qui-Hong

- **An IIC Studies Series on Copyright Law and the Information Society (Dec 2006)**

Edited By KC Liu and Christopher Heath (with editorial assistance from Ms Lim Li, IP Academy)

- **A book entitled “Innovation without Patents - Harnessing the Creative Spirit in a Diverse World (Jan 2007)**

By Contributing Editor, Ms Chow Kit Boey, Senior Fellow

CONFERENCES, LECTURES AND ROUNDTABLES

CONFERENCES

- **Third Annual Fordham-IPA Asian IP Law and Policy Day, New York City (Apr 2006)**
 - This one-day conference provided a platform for open dialogue and exchange of key developments in Asian IP law and Policy. Participants also considered how global trends in IP would impact the Asian IP Landscape. The 2006 conference had a special focus on developments in China and India.
- **SERCI Annual Congress, Singapore (Jun 2006)**
 - This was the first time that the Annual Congress was held in Asia and was an important event in Asia for research into the economic aspects of copyright issues. The Singapore Congress provided an ideal platform for members and participants to exchange views (both of a theoretical or applied nature) with internationally renowned economists and legal experts on recent developments in the economic theory and econometrics relating to copyright issues.
- **Global Forum on Intellectual Property 2006, Singapore (Aug 2006)**
 - The theme of the Inaugural Forum was “Tilting the Global Balance in the IPR landscape: The Strategic Implications of the Growth in the Asia Pacific Region”, and it considered how the region’s growing economic influence, led by China, India and the Middle East, is exerting an increasing influence on global IP creation, protection, exploitation and management.
- **IFPMA Asian Regional Conference on Intellectual Property Rights, Innovation and Health Creating a Culture of Innovation for Pharmaceuticals and Biotechnology in Asia, Singapore (Aug 2006)**
 - This conference addressed the growing need to create a culture of innovation for pharmaceuticals and biotechnology in Asia by harnessing the national and regional expertise of key global and regional players from governments, research and business.
- **Creative Entrepreneurship Summit 2006 - Understanding and Redefining Corporate Value in Creative China: The Art of Effectively Creating, Managing and Measuring Intellectual Assets, Beijing, China (Oct 2006)**
 - At this event, participants were able to share and learn of strategies and best practices for transforming intangible assets into strategic corporate assets globally.
- **Queen Mary-IP Academy-Fordham Trilogue, “The Next Ten Years in Intellectual Property Law: What Should Happen? What Will Happen?”, London (Feb 2007)**
 - This is an annual closed-door discussion between invited delegates and representatives from the three institutions for the exchange of EU, US and Asian perspectives on cutting edge IP issues of contemporary moment.

In addition, our Fellows and Govenors were invited to speak at international IP forums and symposiums as follows:

- **Shanghai Digital Forum, Shanghai, China (April 2006)**
A paper was delivered by Assoc. Prof Susanna Leong, Senior Fellow
- **SERCI Annual Congress 2006, Singapore (Jun 2006)**
Presentation of Keynote Lecture “Copyright: What do we know?” and a paper “Copyright Duration and the Supply of Creative Work” by Prof Ivan Png, Professorial Fellow
A paper on “The Creativity Index: Singapore’s ASAT Model” was delivered by Ms Chow Kit Boey, Senior Fellow
- **HK IP Department “Some Recent Developments in EU and UK Trade Mark law”, Hong Kong (Jun 2006)**
Presentation by Mr David Llewelyn, Director
- **7th Annual IEEM Intellectual Property Law Seminar, Macau (Jun 2006)**
A paper was delivered by Mr David Llewelyn, Director
- **Conference on Copyright in the Knowledge Economy: Challenges and Future Prospects, Manila, Philippines (Sept 2006)**
A paper was delivered by Ms Chow Kit Boey, Senior Fellow
- **ACCF Conference, Hong Kong (Nov 2006)**
A paper was presented by Ms Chow Kit Boey, Senior Fellow

ROUNDTABLES

- **The European Biotech Directive and Ways of its Implementation**
Jointly organised by Association of Singapore Patent Agents and IP Academy
4 May 2006
- **CEO Roundtable: Intellectual Assets Management (IAM) as a Strategic Imperative of Businesses Today: What’s all the fuss about?**
Jointly organised by IE Singapore, IPOS and IP Academy
23 Aug 2006
- **Copyright Right Tribunal: Evolving Role, Jurisdiction, and Procedures**
Jointly organised by IPOS and IP Academy
23 Aug 2006
- **Trademark Anti-counterfeiting & Enforcement in Singapore: Border and Borderless Enforcement: Policy vs Practicalities**
Jointly organised by INTA, IPOS and IP Academy
23 Aug 2006
- **Management Breakfast Roundtable: Finding the Value of your IP Patent Portfolio**
Jointly organised by IPOS and IP Academy
1 Mar 2007

ACADEMIC INSTITUTION ENHANCEMENT PROGRAMME

In April 2006, an MOU was signed between IPOS, IPA and the five Polytechnics, to provide a five-module IP training programme for their faculties and Technology Transfer Offices. The objective is to empower the faculties and Tech Transfer Offices so that they can incorporate key elements of IP into their existing training syllabus. This will benefit the students who will be the future of IP creators, users and owners in Singapore.

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DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 March 2007.

01 DIRECTORS

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

Mr Gordon Ionwy David Llewelyn
 Mr Pang Eng Fong
 Mr Tan Guong Ching
 Prof Tsui Kai Chong
 Prof Ang Peng Hwa
 Dr Kwok Wai Onn
 Ms Liew Woon Yin
 BG Yap Ong Heng
 Mr Tan Eng Heong, Jeffery
 Mr Suresan Sachithanathan
 Assoc Prof Loy Wee Loon
 Mr Philip Antony Jeyaretnam
 Mr Yu Sau Kuk Geoffrey
 Dr Stanley Lai Tze Chang
 Mr Tan Sze Wee
 Mr Png Cheong Boon

02 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors to acquire benefits by means of the acquisition of shares or debenture of 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 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 SHARE OPTIONS

During the financial year, there were:

- (i) no options granted by the Company to any person to take up unissued shares in the Company; and
- (ii) no shares issued by virtue of any exercise of option to take up unissued shares of the Company.

As at the end of the financial year, there were no unissued shares of the Company under option.

06 AUDITORS

Heng Lee Seng & Co have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS



GORDON IONWY DAVID LLEWELYN
DIRECTOR



TAN GUONG CHING
CHAIRMAN

SINGAPORE: 27 JULY 2007

AUDITORS' REPORT TO THE MEMBERS OF IP ACADEMY

We have audited the accompanying financial statements of the IP Academy (the "Company") set out on pages 19 to 33 which comprise the balance sheet as at 31 March 2007 and the profit and loss account and cash flow statement for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Directors' responsibility for the financial statements

The company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 directors, 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 basis for our audit opinion.

Opinion

In our opinion:-

- (a) the 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 the state of affairs of the company as at 31 March 2007 and of the results and cash flows of the company for the financial year then 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.



Heng Lee Seng & Co
Certified Public Accountants

Singapore: 27 July 2007

BALANCE SHEET 31 MARCH 2007

BALANCE SHEET

	NOTE	2007 \$	2006 \$
Government Grants	4	399,065	406,490
Represented by:			
Non-Current Assets			
Property, plant and equipment	5	123,629	256,758
Current Assets			
Trade receivables	6	39,816	29,125
Other receivables, deposits and prepayments	7	163,244	161,387
Cash and cash equivalents	8	410,523	270,383
		613,583	460,895
Deduct:			
Current Liabilities			
Trade payables	9	249,297	224,403
Provisions for other liabilities and charges	10	15,000	-
Deferred income	11	73,850	86,760
		338,147	311,163
Net Current Assets		275,436	149,732
Net Assets		399,065	406,490

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

PROFIT AND LOSS ACCOUNT for the financial year ended 31 March 2007

	NOTE	2007 \$	2006 \$
Revenue	12	743,643	589,489
Programme expenditure		(1,418,993)	(728,952)
Deficit of revenue over programme expenditure		(675,350)	(139,463)
Other operating income	13	-	1,623
Finance income	14	6,138	1,839
Other operating expenses		(1,737,585)	(1,704,713)
Excess of expenditure over income before government grants	15	(2,406,797)	(1,840,714)
Amount transferred from government grants	4	2,406,797	1,840,714
Profit/(loss) for the year		-	-

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

CASH FLOW STATEMENT for the financial year ended 31 March 2007

	NOTE	2007 \$	2006 \$
Operating activities			
Excess of expenditure over income before government grants		(2,406,797)	(1,840,714)
Adjustments for:			
Depreciation of property, plant and equipment	5	148,767	120,032
Allowance for impairment loss arising from trade receivables	6	5,250	-
Gain on disposal of property, plant and equipment	13	-	(1,623)
Property, plant and equipment written off		-	1,936
Interest income	14	(6,138)	(1,839)
Operating loss before working capital changes		(2,258,918)	(1,722,208)
Net increase in working capital	18	(5,814)	(382,150)
Net cash used in operating activities		(2,264,732)	(2,104,358)
Investing activities			
Proceeds from disposal of property, plant and equipment		-	2,068
Purchase of property, plant and equipment		(638)	(291,974)
Interest received		6,138	1,839
Net cash from / (used in) investing activities		5,500	(288,067)
Financing activities			
Grants received from government	4	2,399,372	1,692,816
Net cash from financing activities		2,399,372	1,692,816
Net increase / (decrease) in cash and cash equivalents		140,140	(699,609)
Cash and cash equivalents at beginning of year		270,383	969,992
Cash and cash equivalents at end of year	8	410,523	270,383

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

NOTES TO FINANCIAL STATEMENTS

31 March 2007

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

01 GENERAL

IP Academy Registration No. 200300851Z (the "Company") is incorporated and domiciled 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 27 July 2007.

02 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS - The financial statements are prepared in accordance with the Singapore Financial Reporting Standards ("FRS").

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 values or amortised costs. Amounts are expressed in Singapore dollar unless stated otherwise.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the company's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2006

On 1 January 2006, the company adopted the new or revised FRS and Interpretations to FRS (INT FRS) that are mandatory for application from that date. Changes to the company's accounting policies have been made as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS.

The following are the FRS and INT FRS that are relevant to the company:-

FRS 19 (Amendment)	Employee benefits
FRS 21 (Amendment)	The effects of changes in foreign exchange rates
FRS 32 (Amendment)	Financial instruments:- Disclosures and presentation
INT FRS 104	Determining whether an arrangement contains a lease

The adoption of the above FRS or INT FRS did not result in any substantial changes to the company's accounting policies.

(b) **FUNCTIONAL CURRENCY** - Items included in the financial statements are measured using the currency of the primary economic environment in which the company operates. The functional currency of the company is Singapore dollar.

(c) **PROPERTY, PLANT AND EQUIPMENT** -

(i) **Depreciation**

All items of property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

Depreciation on property, plant and equipment 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

(ii) **Others**

The residual values and useful lives of property, plant and equipment are reviewed and adjusted as appropriate at each balance sheet date. The effects of any revision of the residual values and useful lives are included in the profit and loss account for the financial year in which the changes arise.

The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration costs is also 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.

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the company and the cost of the item can be measured reliably. Other subsequent expenditure is recognised as repair and maintenance expense to the profit and loss account during the financial year in which it is incurred.

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is taken to the profit and loss account.

(d) **IMPAIRMENT OF ASSETS** -

Property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that these assets may be impaired. If any such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash-generating units (CGU) to which the asset belongs.

(d) **IMPAIRMENT OF ASSETS (CONT'D)**

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The impairment loss is recognised in the profit and loss account unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

(e) **FINANCIAL ASSETS**(i) **Classification**

The company classifies its 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. The designation of financial assets, at fair value through profit or loss is irrevocable.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the balance sheet date in which case they are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the balance sheet [Note 2(f)].

(ii) **Recognition and derecognition**

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the company commits to purchase or sell the asset. Financial assets 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.

On sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the profit and loss account. Any amount in the fair value reserve relating to that asset is also taken to the profit and loss account.

(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.

Transaction costs for financial assets at fair value through profit or loss are recognised in the profit and loss account.

(iv) **Subsequent measurement**

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

(e) FINANCIAL ASSETS (CONT'D)

(v) **Impairment**

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

Loans and receivables

An allowance for impairment of loans and receivables, including trade and other receivables is recognised 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. Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired. 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.

(f) CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand, deposits with financial institutions and bank overdrafts. Bank overdrafts are shown in current liabilities on the balance sheet.

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

(g) TRADE AND OTHER PAYABLES

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost, using the effective interest method.

(h) FAIR VALUE ESTIMATION

The carrying amounts of current financial assets and liabilities, carried at amortised cost, are assumed to approximate their fair values.

The fair values of financial liabilities carried at amortised cost are estimated by discounting the future contractual cash flows at the current market interest rate that are available to the company for similar financial liabilities.

(i) LEASES

When the company is lessee:

The company leases certain property, plant and equipment from third parties.

Operating lease

Leases of property, plant and equipment where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating lease (net of any incentives received from the lessor) are taken to the profit and loss account on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the profit and loss account in the financial year in which they are incurred.

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 financial year in which termination takes place.

(j) PROVISIONS

Provisions for asset dismantlement and removal or restoration are recognised when the company has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

The company recognises the estimated costs of dismantlement, removal or restoration of items of property, plant and equipment arising from the acquisition or use of assets. This provision is estimated based on the best estimate of the expenditure required to settle the obligation, taking into consideration time value.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the profit and loss account as interest expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the profit and loss account for the period the changes in estimates arise except for asset dismantlement, removal and restoration costs, which are adjusted against the cost of the related property, plant and equipment unless the decrease in the liability exceeds the carrying amount of the asset or the asset has reached the end of its useful life. In such cases, the excess of the decrease over the carrying amount of the asset or the changes in the liability is recognised in the profit and loss account immediately.

(k) KEY MANAGEMENT PERSONNEL

Key management personnel of the company are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. The directors are considered as key management personnel of the company.

(l) REVENUE RECOGNITION

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the company's activities. Revenue is presented, net of Goods and Services Tax, rebates and discounts. Revenue is recognised as follows:-

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 income including income arising from finance leases and other financial instruments is recognised on a time proportion basis using the effective interest method. When a receivable is impaired, the company reduces the carrying amount to its recoverable amount being the estimated future cash flow discounted at the original effective interest rate of the instrument and continues amortising the discount as interest income on the recoverable amount.

(m) EMPLOYEE BENEFITS

(i) *Defined contribution plan*

Defined contribution plans are post-employment benefit plans under which the company pays defined contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The company has no further payment obligations once the contributions have been paid. The company's contributions are recognised as employee compensation expense when they are due.

(ii) *Short-term benefits*

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

(n) 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

(o) FOREIGN CURRENCY TRANSACTIONS

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the profit and loss account.

03 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

Estimates, assumptions 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

	2007	2006
	\$	\$
At beginning of year	406,490	554,388
Grants received during the year	2,399,372	1,692,816
Grants amortised	(2,406,797)	(1,840,714)
At end of year	<u>399,065</u>	<u>406,490</u>

05 PROPERTY, PLANT AND EQUIPMENT

	Furniture & Fittings	Renovations	Office Equipment	Computers	Total
	\$	\$	\$	\$	\$
2007 Cost					
At 1 Apr 2006	30,109	231,218	88,480	201,617	551,424
Additions	-	15,000	-	638	15,638
At 31 Mar 2007	<u>30,109</u>	<u>246,218</u>	<u>88,480</u>	<u>202,255</u>	<u>567,062</u>
Accumulated Depreciation					
At 1 Apr 2006	5,303	38,536	68,214	182,613	294,666
Charge for the year 2006/2007 (Refer to Note 15)	9,302	123,109	3,615	12,741	148,767
At 31 Mar 2007	<u>14,605</u>	<u>161,645</u>	<u>71,829</u>	<u>195,354</u>	<u>443,433</u>
Net Carrying Amount					
At 31 Mar 2007	15,504	84,573	16,651	6,901	123,629

05 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Leasehold Improvements \$	Furniture & Fittings \$	Renovations \$	Office Equipment \$	Computers \$	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
Disposals	(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 2005/2006						
(Note 15)	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

06 TRADE RECEIVABLES

	2007 \$	2006 \$
Outside Parties	45,066	29,125
Less: Allowance for impairment losses	(5,250)	-
	<u>39,816</u>	<u>29,125</u>
(a) Analysis of allowance for impairment losses:-		
At beginning of year	-	-
Allowance made during the year (Note 15)	5,250	-
At end of year	<u>5,250</u>	<u>-</u>
(b) Trade receivables are denominated in Singapore dollar.		
(c) The carrying amounts of trade receivables approximate their fair value.		

07 OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2007 \$	2006 \$
Other deposits	1,900	18,300
Prepayments of operating expenses	95,071	115,142
Deferred expenses	66,273	27,945
	<u>163,244</u>	<u>161,387</u>
(a) Other receivables, deposits and prepayments are denominated in the following currencies:-		
Singapore dollar	130,162	136,417
United States dollar	33,082	24,970
	<u>163,244</u>	<u>161,387</u>

(b) The carrying amounts of other receivables approximate their fair values.

08 CASH AND CASH EQUIVALENTS

	2007 \$	2006 \$
Cash and bank balances	363,650	223,510
Fixed Deposits with financial institutions	46,873	46,873
	<u>410,523</u>	<u>270,383</u>

- (a) Cash and cash equivalents are denominated in Singapore dollar.
 (b) The carrying amounts of cash and cash equivalents approximate their fair values.
 (c) Short-term fixed deposits at the balance sheet date have an average maturity of 18 (2006: 30) months from the end of the financial year with the following weighted average effective interest rates:-

	2007 %	2006 %
Singapore dollar	1.8	1.8

- (d) The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 19.

09 TRADE PAYABLES

	2007 \$	2006 \$
Outside parties	33,983	53,059
Accrued operating expenses	215,314	171,344
	<u>249,297</u>	<u>224,403</u>

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

Singapore dollar	249,297	183,739
United States dollar	-	28,124
Others	-	12,540
	<u>249,297</u>	<u>224,403</u>

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

10 PROVISIONS FOR OTHER LIABILITIES AND CHARGES

	Dismantlement removal or restoration of property plant and equipment \$
At beginning of the year	-
Provisions during the year	15,000
At end of year	<u>15,000</u>

Dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration is the estimated costs of dismantlement, removal or restoration of property, plant and equipment arising from the acquisition or use of assets, which are capitalised and included in the cost of property, plant and equipment.

11 DEFERRED INCOME

	2007	2006
	\$	\$
Deferred income	73,850	86,760

(a) Deferred income is denominated in Singapore dollar

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

12 REVENUE

	2007	2006
	\$	\$
Training course income	524,116	562,177
Research project funding	29,040	20,000
Conference income	190,487	7,312
	743,643	589,489

13 OTHER OPERATING INCOME

	Note	2007	2006
		\$	\$
Gain on disposal of property, plant and equipment	15	-	1,623

14 FINANCE INCOME

	2007	2006
	\$	\$
Interest income on bank accounts	6,138	1,839

15 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	2007	2006
		\$	\$
Charging/(crediting):			
Allowance for impairment loss arising from trade receivables	6	5,250	-
Depreciation of property, plant and equipment	5	148,767	120,032
Foreign exchange loss		31	-
Key management personnel compensation			
- salaries and other short-term employee benefits		210,000	227,500
Gain on disposal of property, plant and equipment	13	-	(1,623)
Rental on operating leases		187,490	102,136
Staff costs (including those of working directors)			
- salaries and other short-term employee benefits		1,020,203	1,019,775
- employer's contribution to defined contribution plans		73,508	74,064

16 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.

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

The company leases its office under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The lease expenditure charged to the profit and loss account during the financial year is disclosed in Note 15.

The future aggregate minimum lease payable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are analysed as follows:

	2007 \$	2006 \$
Not later than one year	187,490	187,490
Between two and five years	140,617	328,107
	<u>328,107</u>	<u>515,597</u>

18 CHANGES IN WORKING CAPITAL

	2007 \$	2006 \$
<i>(Increase)/decrease in working capital:</i>		
Trade receivables	(15,941)	(17,780)
Other receivables, deposits and prepayments	(1,857)	(141,777)
Trade payables	24,894	(224,853)
Deferred income	(12,910)	2,260
<i>Net Increase in working capital</i>	<u>(5,814)</u>	<u>(382,150)</u>

19 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.

19 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.

20 NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new standards, amendments and interpretations to existing standards have been published and they are mandatory for the company's accounting periods beginning on or after 1 January 2007 or later periods which the company has not early adopted. The company's assessment of the impact of adopting those standards, amendments and interpretations that are relevant to the company is set out below:

FRS 107 Financial Instruments: Disclosures, and a Complementary Amendment to FRS 1 Presentation of Financial Statements – Capital Disclosures

The company has adopted FRS 107 on 1 January 2007, which is the effective date of the Standard.

FRS 107 introduces new disclosures to improve the information about financial instruments. It requires the disclosure of qualitative and quantitative information about exposure to risks arising from financial instruments, including minimum disclosures about credit risk, liquidity risk and market risk (including sensitivity analysis to market risk). It replaces the disclosure requirements in FRS 32 *Financial Instruments: Disclosure and Presentation*.

The amendment to FRS 1 introduces disclosures about the level of an entity's capital and how it manages capital. The company has assessed the impact of FRS 107 and the amendment to FRS 1 and concluded that the main additional disclosures will be the sensitivity analysis to market risk and the capital disclosures required by the amendment of FRS 1.

STATEMENT BY DIRECTORS
(pursuant to Section 201 (15) of the Companies Act, Cap. 50)

We, the undersigned, being two of the directors of IP Academy (the "Company") hereby state that, in the opinion of the directors:-

- (a) the accompanying financial statements as set out on pages 19 to 33 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 March 2007 and of the results of the business and cash flows of the Company for the financial 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 DIRECTORS



GORDON IONWY DAVID LLEWELYN
DIRECTOR



TAN GUONG CHING
CHAIRMAN

SINGAPORE: 27 JULY 2007



**CREATING AN EDGE IN
THE KNOWLEDGE ECONOMY**

IP ACADEMY (SINGAPORE)

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Charity Registration No: 1691

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