Grooming IP Strategists of the Future

ANNUAL REPORT 2010/2011

IP academy
SINGAPORE

CREATING AN EDGE IN
THE KNOWLEDGE ECONOMY

CONTENT

ABOUT THE IP ACADEMY, OUR VISION AND MISSION

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, management and exploitation.

OUR VISION:

The IP Academy's vision is to be a leading centre of excellence for executive IP education and thought leadership development in Singapore and the region. We aim to be a world-class resource in the region for the development of knowledge and capabilities in the protection, exploitation and management of IP.

OUR MISSION:

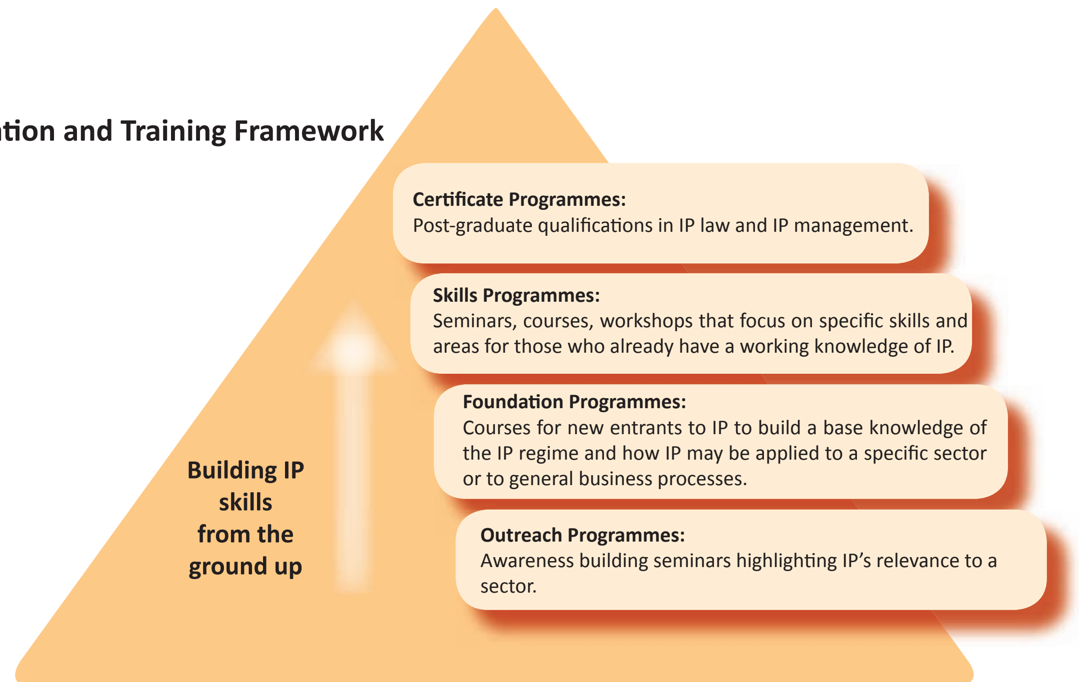
The IP Academy intends to achieve its vision through two key strategies:

- Development of practical IP training and educational courses for IP professionals, business managers and leaders, inventors and creators.

- Conducting a range of IP thought-leadership programmes including cutting edge multi-disciplinary research into IP and related areas, and organising high-level conferences and 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 networks 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.

Our IP Education and Training Framework



OUR BOARD OF GOVERNORS

01 **Mr TAN Guong Ching** (Chairman, IP Academy),
Chairman, Singapore Technologies Telemedia Pte Ltd
Date of Appointment: 28 January 2007

02 **Professor David LLEWELYN** (Deputy Chairman, IP Academy),
External Director, IP Academy
Of Counsel, White & Case Pte. Ltd.
Date of Appointment: 1 December 2004

03 **Professor ANG Peng Hwa**, Director,
Wee Kim Wee School of Communication and Information,
Nanyang Technological University
Date of Appointment: 28 January 2005

04 **Mr HO Cheng Huat**, Director, IP Academy
Executive Vice President, Exploit Technologies Pte Ltd
Date of Appointment: 1 September 2007

05 **Mr Michael HWANG**, Sole Proprietor,
Michael Hwang SC
Date of Appointment: 15 January 2008

06 **Dr Richard KWOK**, Executive Vice President and Chief Technology Officer, Singapore Technologies Kinetics Limited
Date of Appointment: 28 January 2007

07 **Dr Stanley LAI,** Senior Counsel and Head of Intellectual Property and Technology, Allen & Gledhill
Date of Appointment: 28 February 2003

08 **Ms LIEW Woon Yin**
Date of Appointment: 28 January 2003

09 **BG (NS) Hugh LIM,** Deputy Secretary,
Ministry of Law
Date of Appointment: 1 February 2009

10 **Professor LOY Wee Loon**,
Faculty of Law, National University of Singapore
Date of Appointment: 28 January 2007

11 **Mr PNG Cheong Boon,** Chief Executive, Standards, Productivity and Innovation Board (SPRING Singapore)
Date of Appointment: 28 January 2007

12 **Mr Suresh SACHI,** General Counsel, Legal Department, Agency for Science, Technology and Research (A*STAR)
Date of Appointment: 28 January 2007

13 **Dr TAN Sze Wee,** Director, Strategic Initiatives, Science and Engineering Research Council, Agency for Science, Technology and Research (A*STAR)
Date of Appointment: 28 January 2007

14 **BG (NS) Tan Yih San,** Chief Executive, Director-General, Intellectual Property Office of Singapore
Date of Appointment: 1 July 2011

15 **Professor TSUI Kai Chong,**
Professor of Finance and Provost, SIM University
Date of Appointment: 28 February 2003

CHAIRMAN'S MESSAGE

When the IP Academy was established in 2003, it was seen as a landmark development heralding the start of Singapore's development into an intellectual property hub. Nine years down the road, considerable progress has been made in terms of the levels of awareness of intellectual property by local organisations, users and creators. The IP Academy has contributed to this growth by providing a structured framework of programmes, catering to a diverse audience having differing levels of intellectual property competencies, and by seeding and fostering thought-leadership programmes that elevate discussions in intellectual property areas.

Although it can be justifiably proud of its achievements thus far, the IP Academy should not be content to rest on its laurels. Around the world, intellectual property has evolved with international, national and business developments. Arguably, one of the most visible results of this evolution is the rise of the "IP strategist".

No longer the exclusive purview of lawyers, we now see engineers, researchers, senior managers and administrators helming intellectual property units. The legal perspective still is a core contributor in intellectual property decision making but IP strategists look beyond the law; they link together a business's commercial strategy with the law of IP. As such, IP strategists need to understand the entire value-chain of intellectual property, be sufficiently knowledgeable to draw the necessary expertise from specialists such as patent attorneys and litigators. Armed with this, they provide sound business directions for a company's intellectual property strategy.

The combination of business acumen and intellectual property knowledge is hard to find. In Singapore, we see the beginnings of such competencies emerging, fostered by programmes such as the IP Academy's Business Basics and Dealing with IP. The inclusion of intellectual property competencies in Singapore's Workforce Skills Qualification (WSQ) Business Management Framework, is a huge step in the right direction in fanning the growth of this new breed of intellectual property professionals.

Although, the IP Academy was one of the first institutions to actively incorporate business elements in its programmes, it did this in advance of local interest in this area. In the year ahead, the IP Academy faces the challenge of catalysing greater acceptance and investment by local organisations in the development of their intellectual property competencies and strategies.

Tan Guong Ching
Chairman
IP Academy

DIRECTOR’S MESSAGE

The theme of this Annual Report “Grooming IP Strategists of the Future” is apt, considering Singapore’s current intellectual property climate. As more companies and organisations in Singapore start to realise what intellectual property is or what they have as intellectual property, there will be an increase amongst such companies and organisations to look at ways to extract value from their intellectual property.

More than just realising what intellectual property exists or is owned, value extraction of intellectual property requires a long term multidisciplinary approach. This multidisciplinary approach requires intellectual property to be strategically developed and incorporated by senior management into a company’s or an organisation’s business plans. Ideally, this multidisciplinary approach enables a sustainable platform from which intellectual property is more likely to develop into strategic and valuable assets.

Who can play this role of an IP strategist to champion development of intellectual property into valuable strategic assets? A simple answer would be anyone who understands that an intellectual property is a business asset, not just a legal right or property. However, this understanding is only the starting point. Such an IP strategist would also need to understand how intellectual property is created, developed and applied.

In our multidisciplinary approach to provide executive education on intellectual property, the IP Academy’s programmes are geared towards development of current and future IP strategists. Whether from a small company or a large organisation, an IP strategist has a role to play. That role depends on varying needs of industries and the type of intellectual property owned or developed. We shall continue to deliver our programmes to suit such varying needs.

On this note, we thank our partners and supporters this past year, including our participants and the many intellectual property experts who have, in their own special ways, helped us to deliver our programmes.

Ho Cheng Huat
Director
IP Academy

CORPORATE INFORMATION

MANAGEMENT

Ho Cheng Huat (Director)
Cheng Huat is responsible for the overall management of the Academy and building up a portfolio of quality IP education, training and research programmes.

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

Rose Ramli (Deputy Director)
Rose oversees the day-to-day management of the Academy, the development of its education, training and research programmes, and strategic and international linkages.

COUNSELS

Chin Hooi Yen
Daniel Collopy
Ms Elaine Leong

ADMINISTRATION

Programmes
Chhavi Kulshrestha
Dilpreet Kaur
Jasvinder Singh
Naveena Methani
Tay Soh Hui

Finance, Administration and IT
Connie Yeoh
Jenny Han
Sim Soon Lee
Sze Siew Lian

COMPANY/CHARITY REGISTRATION

Company Registration No: 200300851Z
Charity Registration Number: 1691

COMPANY SECRETARY

Ms Elaine Leong

REGISTERED OFFICE

8 Wilkie Road
#03-01 Wilkie Edge
Singapore 228095

AUDITORS

RSM Chio Lim LLP
8 Wilkie Road #03-08
Wilkie Edge
Singapore 228095

CAPABILITIES DEVELOPMENT

EDUCATION AND TRAINING TO FOSTER IP USE

Alignment with Singapore's Workforce Skills Qualification Framework: Accreditation of IP Academy's Programmes

Although IP awareness amongst local organisations has improved considerably since the IP Academy was first established, few have undertaken to develop IP management competencies. Without an understanding of the value IP assets can bring to their organisation, and the risks in ignoring and not accounting for IP, local organisations would not be able to compete in a global arena where IP assets have become the key to continued competitiveness and business survival.

The IP Academy seeks to entrench IP competencies as necessary skill-sets in Singapore's workforce. This was the focus for much of the FY2010. The IP Academy worked closely with key tutors to align its Foundation programmes to standards established by the Singapore's Workforce Development Agency (WDA). Under WDA's Workforce Skills Qualifications, IP is recognised as required competencies in two frameworks – the Creative Industries Framework and the Business Management Framework.

In FY2010, two programmes were submitted for accreditation:

- IP Fundamentals: Applications for the Media Industry; and
- IP Business Basics.

WSQ IP Fundamentals for the Media Industry

The programme provides an introduction to IP in the media industry. It starts with a foundation in IP law with a focus on copyright followed by modules of IP issues in production and financing of media productions.

"The speakers gave good examples when illustrating the different topics and terms used in the IP Fundamentals. Practical tips and informative."
- Bill Quek, Instant Replay Productions

"All the topics in the programme were very useful. The information provided is very relevant to my daily work."
– Khoo Chong Thye, AsiaWorks Television

WSQ IP Business Basics

IP Business Basics provides an introduction to the use and management of IP assets in business. Intended as a step-up programme to more advanced IP management courses, this comprehensive programme covers a breadth of IP administration and management topics such as IP documentation, monitoring, exploitation, contracts and enforcement.

"This course has given me insights to IP and helped in my organisation's planning and added value to our business strategy… and I will strongly recommend to anyone who is serious about IP and wish to acquire the basic knowledge of IP to enhance and add value to their business."
- Mr Nelson Ng, Duro International Pte Ltd

Honing IP Business and Financial Competencies

Another major milestone for the IP Academy in FY2010 was the launch of the Dealing with IP series. The series is targetted at participants who are involved in IP management (R&D project management, licensing management, finance of IP) to hone competencies and deepen understanding in the business and financial considerations that go into IP deals and IP strategies. The series was also established as a credit-bearing course for the Master of Science in IP Management programme.

Tutors were selected from academics and practitioners recognised for their expertise in IP finance and management.

- Modules: IP as Financial & Business Assets and Practice of Valuation of Intangibles,
  Tutor: Professor Gordon Smith, Distinguished Professor of Intellectual Property Management, Franklin Pierce Center for Intellectual Property, UNH School of Law
- Module: Tax Implications for IP
  Tutors: Mr Abhijit Ghosh, Partner – Corporate Tax, PricewaterhouseCoopers (Singapore) and Professor Stephen T. Black, Professor of Law, Franklin Pierce Centre for Intellectual Property, UNH School of Law
- Modules: Value Extraction Models for IP: "Monetisation" and Preparing for IP Transactions
  Tutors: Mr Ron Laurie, Founder, Inflexion Point Strategy, LLC, Mr Daniel Collopy, Senior Specialist Counsel, IP Academy (Singapore) and IP Consultant, Exploit Technologies Pte Ltd, and Mr Philip Mendes, Principal, Opteon (Asutralia).

Sharing Singapore's IP Expertise

The IP Academy was honoured to be selected by the Ministry of Foreign Affairs to conduct two programmes for delegations in FY2010. These were

- Japan-Singapore Partnership Programme for the 21st Century (JSPP21)
  Course title: Intellectual Property: Law, Policy and Operationalisation for National Development
  Participants: Officers from government agencies of Cambodia, Laos and Vietnam.

- Singapore Cooperation Programme Training Award for AMED (Asia Middle East Dialogue) Countries
  Course Title: Intellectual Property Protection & Enforcement: Understanding the Issues
  Participants: Officers from government agencies of Afghanistan, Brunei, China, Malaysia, Morocco, Myanmar, Philippines, Tunisia, Turkey, Uzbekistan, and Vietnam.




The IP Academy developed highly interactive and intensive programmes (including seminars, group discussions and visits) delving into subject matter ranging from international IP legal developments to the use of IP in business and for national development.

A Snapshot of Programmes Conducted in FY2010

The IP Academy continued to reach out to new sectors through a series of programmes at different levels – from outreach to certification.

Outreach Programmes

- Copyright & Confidential Information – Understanding and Dealing with the IP Issues.
- Elements of IP for Media & Creative Companies
- Dealing with Online IP Issues
- Patent Prosecution and Litigation in the US - What Really Happens?
- Playing the IP Strategy Game
- Squashing Cybersquatters – Protect your Domain Name
- Translating IP into Profit
- World IP Day: Linking the World through Innovation .... and Food!

Foundation Programmes

- IP Fundamentals: Applications for the Technology Sector
- IP Primer for the Public Sector
- IP Protection Strategies
- Surviving the Chinese IP Maze
- WSQ Fundamentals for IP for the Media Industry
- WSQ IP Business Basics

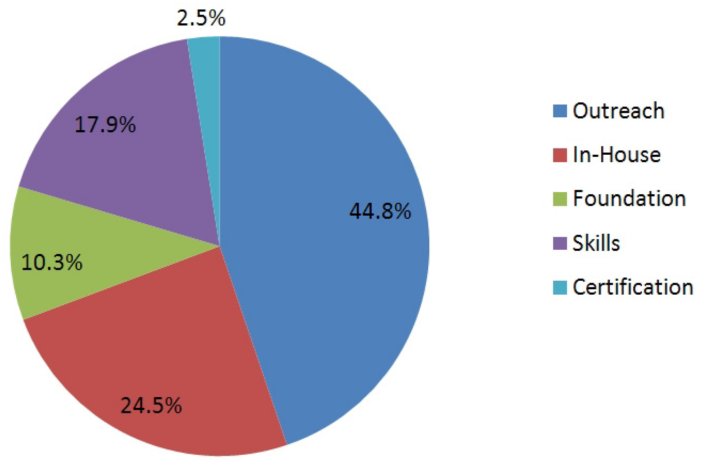
Skills Programmes

- Complying with Copyright & Managing Risks
- Considerations in Setting Up or Reviewing an IP Management Policy
- Dealing with IP Module
- Government Contracts and IP
- LES Singapore Basic Licensing Course
- Managing Copyright and Confidential Information in Education and Training Institutions
- Managing Employees and IP – A Careful Balancing Act
- Oxford Isis Model of Technology Transfer
- Patents Practice Modules
- Prepping for the UK Patent Agent Qualifying Examination
- Ways of Maximising Government's IP Assets

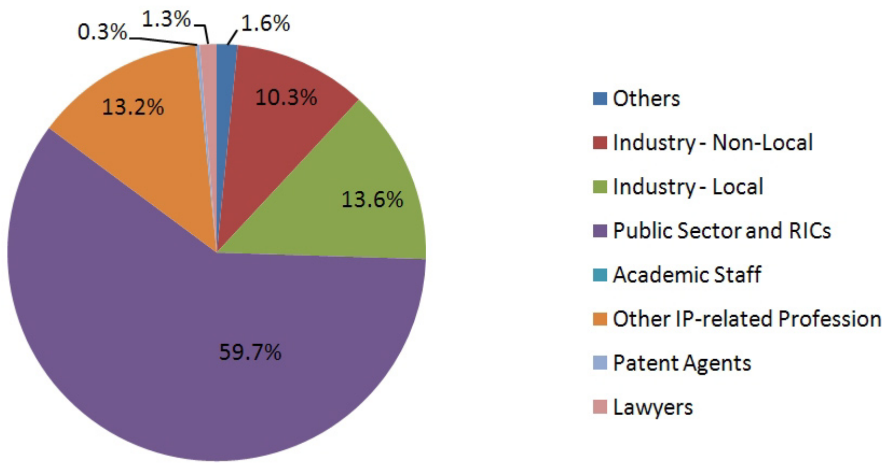
Certification Programmes

- Graduate Certificate in Intellectual Property (GCIP): 10th cohort
- Master of Science (MSc) in Intellectual Property: 5th cohort

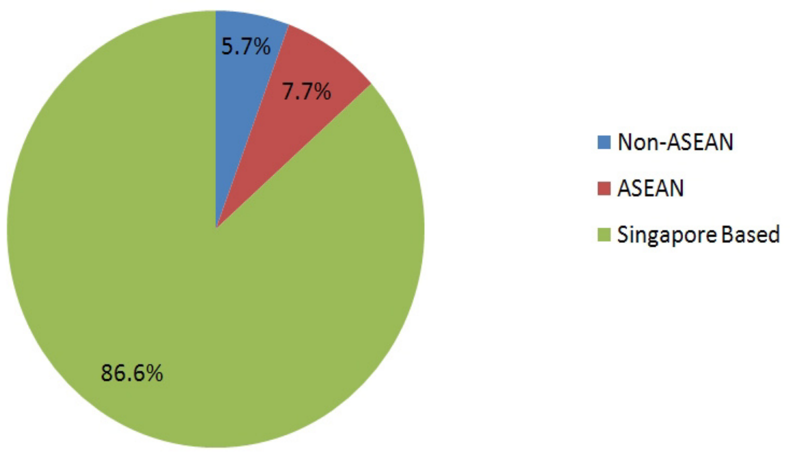
Breakdown of Students by Programme Level



Breakdown of Students by Profession/Sector



Breakdown of Students by Region



THOUGHT-LEADERSHIP

UPDATES AND INSIGHT INTO GLOBAL IP DEVELOPMENTS

3rd Global Forum in IP: Turbulent Times – Onwards and Upwards for Intellectual Property

Building on the success of the previous Global Forums in IP in 2006 and 2009, the IP Academy was pleased to present the 3rd Global Forum on Intellectual Property (GFIP 2011) on 6 and 7 January 2011 at the Raffles City Convention Centre, Singapore.

GFIP 2011 once again brought together some of the world's most influential IP and industry leaders to explore and discuss new IP trends and to harness business opportunities in a setting conducive to creative thinking.

A distinguished line up of international speakers and panellists considered and discussed "hot button" issues relating to the theme of "Turbulent Times : Onwards and Upwards for Intellectual Property?". This was timely given the promising but challenging times ahead for businesses, having emerged from the global economic downturn of 2008/2009, and with the Asia Pacific region leading the charge for economic recovery.

GFIP 2011 attracted over 400 delegates from various IP and related fields around the globe.

Key highlights included:

- Two plenary sessions featuring keynote presentations by prominent IP and industry leaders.
  Keynotes:

  - IP & China: Getting Ready to Rumble in the New Asian Decade
    Speaker: Professor Peter Williamson, Professor of International Management, Judge Business School, University of Cambridge

  - Debate on "Copyright and the Internet"
    Speakers: Mr Andrew Keen, Internet Guru and Author of Best-Seller "Cult of the Amateur" and Mr Harold Feld, Legal Director, Public Knowledge

  - A US Judge's Perspective of Patents
    Speaker: Hon. Randell R.Rader, Chief Judge, U.S Court of Appeals for the Federal Circuit, Washington DC

  - Copyright or Copywrong?
    Speaker: Mr Carlos Fernandes, CEO, RecordTV

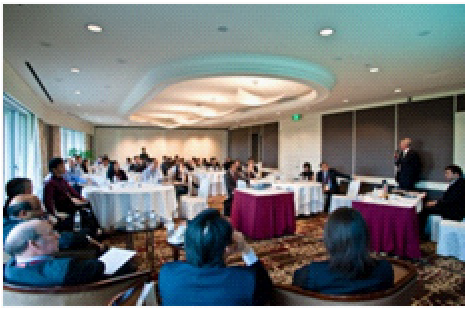
- Creative Industries - Is the Collective Model the Way Forward?
  Speaker: Mr Tilman Lueder, Head of Unit – Copyright and Knowledge – based Economy, DG Internal Market and Services


- Over 20 parallel sessions which focus on areas of more specialised interest, geared towards multi disciplinary users with varying levels of experience. These included:

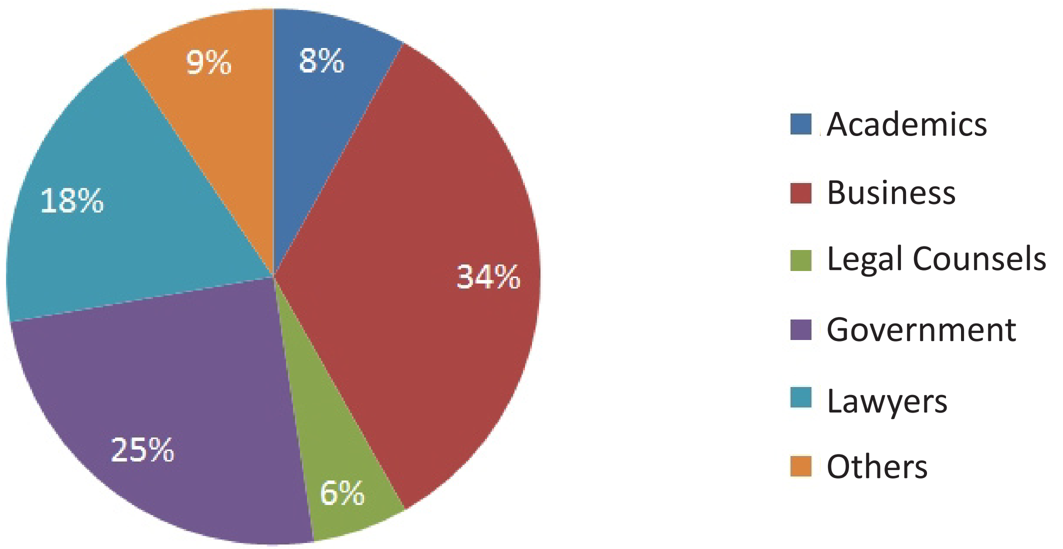
- Pirate Bay and the Digital Economy Act - Is the Time ripe for an Overhaul of Copyright Laws?
- Brandjacking on Social Networks - How to make Social Networking Platforms work for Your Brands
- An Acquired Taste - The Evolving Role of IP in M&A: From Deal Maker to Deal Breaker?
- Intellectual Property goes Green - Are Green Patents the Next Big Thing?
- Fashion “Parasites” - Is Imitation the Sincerest Form of Flattery?
- Economic Giants and Trading Blocs – Where do the smaller states/countries fit in?



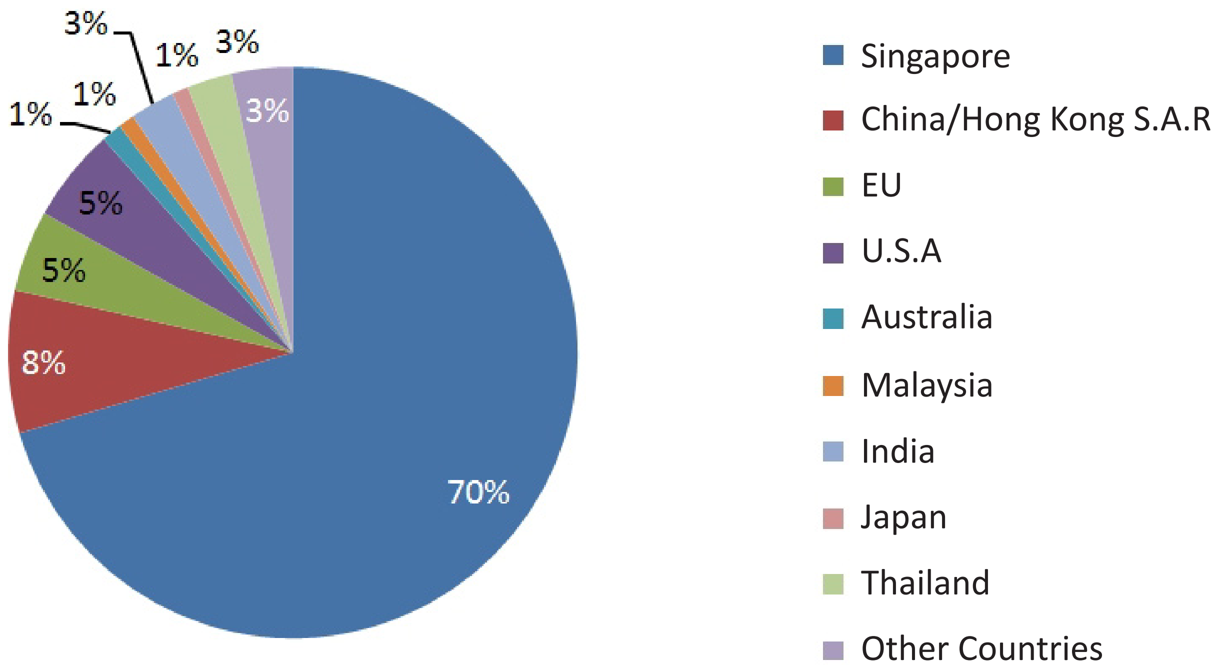





Breakdown of Participants by Profession



Breakdown of Participants by Country



A Benchmarking Study

Professor Wong Poh Kam, Principal Investigator

In 2006, IP Academy launched the inaugural Asia Pacific IP Scorecard, comprising a set of indicators to benchmark and track the pattern of IP creation among selected economies. Using data on Asia Pacific invented patents granted by the US Patents and Trademark Office, researchers analysed and ranked the Asia Pacific economies in terms of salient indicators of national performance in producing IP-protected assets and the quality of these IP assets.

Funded by the IP Academy, this research project was carried out by the NUS Entrepreneurship Centre. In FY2010, an update and review of the IP Scorecard was undertaken and an interim report on the findings was presented at GFIP 2011.

Key findings include:
- The contribution of Asia Pacific economies to world patenting has increased in significance.
- The scientific content of Asia Pacific patents is on the rise. This suggests that patents in this region are orienteering towards emerging technological areas.
- Singapore has generally maintained its position among the top patent producing economies in the Asia Pacific IP Scorecard:
    - 1st in terms of quality of patents relative to output;
    - 3rd in terms of scientific content of patents; and
    - 4th in the region in terms of patenting intensity.

Other Thought-Leadership Initiatives

The IP Academy participated in a number of international conferences and other events throughout the year including:

- *Fordham 2010: Fordham – IP Academy's Asian IP Law and Policy Day 2010*
  (7 April 2010, New York)
  The Asian IP Law and Policy Day conference is a joint collaboration between Fordham Law Institute and IP Academy and is usually held the day before the Fordham's Annual Conference on International IP Law and Policy. In its 6th year, this year's conference theme was "Recent IP Developments in Asia". The event was led by Professor David Llewelyn, External Director, with Mr Ho Cheng Huat, Director, contributing as a speaker.

- *Law Society-IP Academy Roundtable: The Repercussions of the Polo Discussion*
  (30th April 2010, Singapore)
  Moderated by Professor Loy Wee Loon, NUS, this was the inaugural IP Roundtable by the Law Society and the IP Academy.

- *ATRIP Congress 2010*
  (23-26 May 2010, Stockholm)
  The Congress is the annual event of the International Association for the Advancement of Teaching and Research in Intellectual Property (ATRIP) and comprises the formal meeting of the ExCo and Members, as well as a Scientific Programme (Conference). In this year's Congress, the ATRIP ExCo and Members formally accepted Singapore's proposal to host the 2011 Congress.

- *IPRIA NUS IP Academy Research Symposium*
  (25 June 2010, Singapore)
  An ongoing collaboration between the IP Research Institute of Australia (IPRIA), NUS and IP Academy, this was the second meeting of authors/researchers from different universities & institutes who are contributing to a joint publication - "The New Law of Brands and Reputation in the Asia-Pacific Rim".

- *INTA Roundtable*
  (23 July 2010, Singapore)
  A collaboration between the International Trademark Association (INTA) and IP Academy, the roundtable discussed the "Protection of Well Known Trademarks in Singapore after Amanusa and City Chain".

- *Fourth Symposium for Heads of Intellectual Property Academies within the framework of the Global Network on Intellectual Property Academies (GNIPA)*
  (Aug 24-26 2010, Seoul)
  The Fourth Symposium was attended by Heads of IP Academies from various countries including China, Japan and India. At this Fourth Symposium, Mr Ho Cheng Huat, Director IP Academy moderated one session, updated on a project assigned to the IP Academy at the Third Symposium, and presented as a panellist in two other sessions: "Management of IP Academies – New Challenges" and "Industry and IP Academies Partnerships".

- *4th China – Singapore Intellectual Property Conference*
  (Aug 25-26, 2010, Shanghai)
  The 4th China – Singapore Intellectual Property Conference was jointly organised by Intellectual Property Office of Singapore (IPOS) and State Intellectual Property Office (SIPO) of the P.R.C. The theme for this year's conference was "Realising the Potential of your IP in Singapore and Around". The IP Academy was represented by Ms Song Wern Lee (a course tutor) and Mr. Jason Ng (Programmes Manager).

- *WIPO-JPO Study Program on Human Resource Development in the Field of IP*
  (2-4 February 2011, Tokyo)
  The stated objectives of the Study Program were to enhance the knowledge of participants about the policy and strategic approaches to human resource development in the field of industrial property. Attendees came from various countries in Asia, South America and Africa. Ms Rose Ramli, Deputy Director, IP Academy presented two papers: The Role of Intellectual Property Offices in Intellectual Property (IP) Education and Training and Monitoring and Evaluation of Training Programs of IP Academies/IP Training Units.

DIRECTORS' REPORT AND FINANCIAL STATEMENT FOR THE YEAR ENDED 31 MARCH 2011

CONTENTS

Directors' Report

The directors of the company are pleased to present their report together with the audited financial statements of the company for the reporting year ended 31 March 2011.

1. Directors at Date of Report

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

Mr Tan Guong Ching
Prof Gordon Ionwy David Llewelyn
BG (NS) Hugh Lim
Mr Ho Cheng Huat
Mr Hwang Sydney Michael
Mr Png Cheong Boon
Mr Suresan Sachithananthan
BG (NS) Tan Yih San (Appointed 1 July 2011)
Prof Ang Peng Hwa
Dr Kwok Wai Onn
Dr Stanley Lai Tze Chang
Ms Liew Woon Yin
Prof Loy Wee Loon
Dr Tan Sze Wee
Prof Tsui Kai Chong

Governors of the IP Academy (Singapore) are Directors of the company

2. Arrangements to Enable Director to Acquire Benefits by Means of The Acquisition of Shares and Debentures

Section 201(6)(f) and 201(6)(A)(g) of the Singapore Companies Act, Cap. 50 (the "Act") do not apply to the company as it is a company limited by guarantee and without share capital and debentures.

3. Directors' Interests in Shares and Debentures

Section 201(6)(g) and 201(6)(A)(h) of the Act do not apply to the company as it is a company limited by guarantee and without share capital and debentures.

4. Contractual Benefits of Directors

Since the beginning of the reporting year, no director of the company has received or become entitled to receive a benefit which is required to be disclosed under section 201(8) of the Companies Act, Cap. 50, 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. Certain directors of the company received remuneration from related corporations in their capacity as directors and or executives of those related corporations.

Directors' Report (cont'd)

5. Options to Take Up Unissued Shares

Section 201 (11) and (12) of the Act do not apply to the company as it is a company limited by guarantee.

6. Independent Auditors

The independent auditors, RSM Chio Lim LLP, have expressed their willingness to accept re-appointment.

On Behalf of The Directors

Tan Guong Ching
Director

Ho Cheng Huat
Director

24 August 2011

Statement by Directors

In the opinion of the directors,

(a) the accompanying statements of financial activities, statement of financial position, statement of changes in fund, statement of cash flows, and notes thereto are drawn up so as to give a true fair view of the state of affairs of the company as at 31 March 2011 and the results, changes in equity 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.

The board of directors approved and authorised these financial statements for issue on 24 August 2011.

On Behalf of The Directors

Tan Guong Ching
Director

Ho Cheng Huat
Director

24 August 2011

Independent Auditors' Report to the members of IP ACADEMY

We have audited the accompanying financial statements of IP Academy, which comprise the statement of financial position as at 31 March 2011, and the statement of financial activities, statement of changes in fund and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of financial activities and statement of financial position and to maintain accountability of assets.

Independent Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Independent Auditors' Report to the members of IP ACADEMY (cont'd)

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 March 2011 and the results, changes in fund and cash flows of the company for the reporting year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

RSM Chio Lim LLP

RSM Chio Lim LLP
Public Accountants and
Certified Public Accountants
Singapore

24 August 2011

Partner in charge of audit: Derek How Beng Tiong

Statement of Financial Activities
Year Ended 31 March 2011

	Notes	2011 $	2010 $
Revenue	4	967,973	696,646
Programme Expenditure		(1,440,846)	(614,096)
(Deficit) / Surplus of Revenue Over Programme Expenditure		(472,873)	82,550
Other Items of Income			
Other Income	5	41,504	34,509
Other Items of Expense			
Administrative Expenses		(1,782,500)	(1,885,813)
Other Charges	6	(1,919)	–
Excess of Expenditure over Income Before Government Grant	7	(2,215,788)	(1,768,754)
Amount Transferred from Government grants		2,215,788	1,768,754
Surplus/(Deficit) for the Year		–	–

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

Statement of Financial Position
As at 31 March 2011

	Notes	2011	2010
		$	$
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	9	19,386	86,238
Total Non-Current Assets		19,386	86,238
Current Assets			
Trade and Other Receivables, Current	10	212,554	155,588
Other Assets, Current	11	19,502	34,654
Cash and Cash Equivalents	12	1,849,444	1,647,238
Total Current Assets		2,081,500	1,837,480
Total Assets		2,100,886	1,923,718
Current Liabilities			
Trade and Other Payables, Current	13	218,339	228,427
Other Liabilities, Current	14	98,568	130,863
Total Current Liabilities		316,907	359,290
Total Liabilities		316,907	359,290
Net Assets		1,783,979	1,564,428
Funds			
Government Grants		1,783,979	1,564,428

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

Statement of Changes in Fund
Year Ended 31 March 2011

	Government Grants $
Current Year:	
Opening Balance at 1 April 2010	1,564,428
Grants Received During the Year	2,435,339
Grants Amortised	(2,215,788)
Closing Balance at 31 March 2011	1,783,979
Previous Year:	
Opening Balance at 1 April 2009	504,044
Grants Received During the Year	2,829,138
Grants Amortised	(1,768,754)
Closing Balance at 31 March 2010	1,564,428

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

Statement of Cash Flows
Year Ended 31 March 2011

	2011 $	2010 $
Cash Flows From Operating Activities		
Excess of Expenditure Over Income Before Government Grant	(2,215,788)	(1,768,754)
Adjustment for:		
Depreciation of Property, Plant and Equipment	81,118	115,040
Operating Cash Flows before Changes in Working Capital	(2,134,670)	(1,653,714)
Trade and Other Receivables	(56,966)	154,283
Other Assets	15,152	(27,674)
Trade Payables	(10,088)	50,392
Other Liabilities	(32,295)	29,557
Net Cash Flows Used in Operating Activities	(2,218,867)	(1,447,156)
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(14,266)	(24,864)
Net Cash Flows Used in Investing Activities	(14,266)	(24,864)
Cash Flows From Financing Activities		
Grant Received from Government	2,435,339	2,829,138
Net Cash Flows From Financing Activities	2,435,339	2,829,138
Net Increase in Cash and Cash Equivalents	202,206	1,357,118
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	1,647,238	290,120
Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance (Note 12)	1,849,444	1,647,238

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

Notes to the Financial Statements
31 March 2011

1. General

The Company (Registration No. 200300851Z) is incorporated in Singapore as a company limited by guarantee. The financial statements are presented in Singapore dollars.

The board of directors approved and authorised these financial statements for issue on 24 August 2011.

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

The registered office is: 8 Wilkie Road, #03-01 Wilkie Edge, Singapore 228095. The company is domiciled in Singapore.

2. Summary of Significant Accounting Policies

Accounting Convention
The financial statements have been prepared in accordance with the Singapore Financial Reporting Standards ("FRS") and the related Interpretations to FRS ("INT FRS") as issued by the Singapore Accounting Standards Council and the Companies Act, Cap 50. The financial statements are prepared on a going concern basis under the historical cost convention except where an FRS requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements.

Basis of Preparation of the Financial Statements
The preparation of financial statements in conformity with generally accepted accounting principles requires the management to make 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 reporting year. Actual results could differ from those estimates. The estimates and assumptions are reviewed on an ongoing basis. Apart from those involving estimations, management has made judgements in the process of applying the entity's accounting policies. The areas requiring management's most difficult, subjective or complex judgements, or areas where assumptions and estimates are significant to the financial statements, are disclosed at the end of this footnote, where applicable.

Revenue Recognition
The revenue amount is the fair value of the consideration received or receivable from the gross inflow of economic benefits during the reporting year arising from the course of the activities of the entity and it is shown net of any related sales taxes, estimated returns and rebates. Revenue from the sale of goods is recognised when significant risks and rewards of ownership are transferred to the buyer, there is neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, and the amount of revenue and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Revenue from rendering of services that are of short duration is recognised when the services are completed. Interest is recognised using the effective interest method.

2. **Summary of Significant Accounting Policies (cont'd)**

Employee Benefits

Contributions to defined contribution retirement benefit plans are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it agrees to contribute to an independently administered fund which is the Central Provident Fund in Singapore (a government managed retirement benefit plan). For employee leave entitlement the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Income Tax

The company is granted exemption from income tax as a charitable institution under Section 13U of the Income Tax Act.

Foreign Currency Transactions

The functional currency is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when recognised in other comprehensive income and if applicable deferred in equity such as for qualifying cash flow hedges. The presentation is in the functional currency.

Property, Plant and Equipment

Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets. The annual rates of depreciation are as follows:

Leasehold improvements	–	50%
Furniture and fittings	–	33%
Office equipment	–	33%
Computers	–	50%

An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle. Fully depreciated assets still in use are retained in the financial statements.

Property, plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item and is recognised in profit or loss. The residual value and the useful life of an asset is reviewed at least at each end of the reporting year and, if expectations differ significantly from previous estimates, the

2. **Summary of significant accounting policies (cont'd)**

Property, Plant and Equipment (Cont'd)

changes are accounted for as a change in an accounting estimate, and the depreciation charge for the current and future periods are adjusted.

Cost also includes acquisition cost, any cost 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. Subsequent cost are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

Leases

Whether an arrangement is, or contains, a lease shall be based on the substance of the arrangement at the inception date, that is, whether (a) fulfilment of the arrangement is dependent on the use of a specific asset or assets (the asset); and (b) the arrangement conveys a right to use the asset. Leases are classified as finance leases if substantially all the risks and rewards of ownership are transferred to the lessee. All other leases are classified as operating leases. At the commencement of the lease term, a finance lease is recognised as an asset and as a liability in the statement of financial position at amounts equal to the fair value of the leased asset or, if lower, the present value of the minimum lease payments, each determined at the inception of the lease. The discount rate used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine, the lessee's incremental borrowing rate is used. Any initial direct costs of the lessee are added to the amount recognised as an asset. The excess of the lease payments over the recorded lease liability are treated as finance charges which are allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability. Contingent rents are charged as expenses in the periods in which they are incurred. The assets are depreciated as owned depreciable assets. Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased assets are classified as operating leases. For operating leases, lease payments are recognised as an expense in profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is representative of the time pattern of the user's benefit, even if the payments are not on that basis. Lease incentives received are recognised in profit or loss as an integral part of the total lease expense.

2. **Summary of Significant Accounting Policies (cont'd)**

Impairment of Non-Financial Assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Financial Assets

Initial recognition and measurement and derecognition of financial assets:

A financial asset is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument. The initial recognition of financial assets is at fair value normally represented by the transaction price. The transaction price for financial asset not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial asset. Transaction costs incurred on the acquisition or issue of financial assets classified at fair value through profit or loss are expensed immediately. The transactions are recorded at the trade date.

Irrespective of the legal form of the transactions performed, financial assets are derecognised when they pass the "substance over form" based derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

Subsequent measurement:

Subsequent measurement based on the classification of the financial assets in one of the following four categories under FRS 39 is as follows:

1. Financial assets at fair value through profit or loss: As at end of the reporting year date there were no financial assets classified in this category.

2. **Summary of Significant Accounting Policies (cont'd)**

Financial Assets (cont'd)

2. Loans and receivables: Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Assets that are for sale immediately or in the near term are not classified in this category. These assets are carried at amortised costs using the effective interest method (except that short-duration receivables with no stated interest rate are normally measured at original invoice amount unless the effect of imputing interest would be significant) minus any reduction (directly or through the use of an allowance account) for impairment or uncollectibility. Impairment charges are provided only when there is objective evidence that an impairment loss has been incurred as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated. The methodology ensures that an impairment loss is not recognised on the initial recognition of an asset. Losses expected as a result of future events, no matter how likely, are not recognised. For impairment, the carrying amount of the asset is reduced through use of an allowance account. The amount of the loss is recognised in profit or loss. An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. Typically the trade and other receivables are classified in this category.

3. Held-to-maturity financial assets: As at end of the reporting year date there were no financial assets classified in this category.

4. Available for sale financial assets: As at end of the reporting year date there were no financial assets classified in this category.

Cash and Cash Equivalents

Cash and cash equivalents include bank and cash balances, on demand deposits and any highly liquid debt instruments purchased with an original maturity of three months or less. For the statement of cash flow the item includes cash and cash equivalents less cash subject to restriction and bank over drafts payable on demand that form an integral part of cash management.

Financial Liabilities

Initial recognition and measurement:

A financial liability is recognised on the statement of financial position when, and only when, the entity becomes a party to the contractual provisions of the instrument and it is derecognised when the obligation specified in the contract is discharged or cancelled or expires. The initial recognition of financial liability is at fair value normally represented by the transaction price. The transaction price for financial liability not classified at fair value through profit or loss includes the transaction costs that are directly attributable to the acquisition or issue of the financial liability. Transaction costs incurred on the acquisition or issue of financial liability classified at fair value through profit are expensed immediately. The transactions are recorded at the trade date. Financial liabilities including bank and other borrowings are classified as current liabilities unless there is an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting year.

2. **Summary of Significant Accounting Policies (cont'd)**

Financial Liabilities (cont'd)

Subsequent measurement:

Subsequent measurement based on the classification of the financial liabilities in one of the following two categories under FRS 39 is as follows:

1. Liabilities at fair value through profit or loss: As at end of the reporting year date there were no financial liabilities classified in this category.

2. Other financial liabilities: All liabilities, which have not been classified as in the previous category fall into this residual category. These liabilities are carried at amortised cost using the effective interest method. Trade and other payables and borrowings are usually classified in this category. Items classified within current trade and other payables are not usually re-measured, as the obligation is usually known with a high degree of certainty and settlement is short-term.

Fair Value of Financial Instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. Disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are significant differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes. The maximum exposure to credit risk is the fair value of the financial instruments at the end of the reporting year. The fair value of a financial instrument is derived from an active market or by using an acceptable valuation technique. The appropriate quoted market price for an asset held or liability to be issued is usually the current bid price without any deduction for transaction costs that may be incurred on sale or other disposal and, for an asset to be acquired or liability held, the asking price. If there is no market, or the markets available are not active, the fair value is established by using an acceptable valuation technique. The fair value measurements are classified using a fair value hierarchy of 3 levels that reflects the significance of the inputs used in making the measurements, that is, Level 1 for the use of quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 for the use of inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and Level 3 for the use of inputs for the asset or liability that are not based on observable market data (unobservable inputs). The level is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety. Where observable inputs that require significant adjustment based on unobservable inputs, that measurement is a Level 3 measurement.

2. **Summary of Significant Accounting Policies (cont'd)**

Provisions

A liability or provision is recognised when there is 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. Provisions are made using best estimates of the amount required in settlement and where the effect of the time value of money is material, the amount recognised is the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as interest expense. Changes in estimates are reflected in profit or loss in the period they occur.

Government Grants

A government grant is recognised at fair value when there is reasonable assurance that the conditions attaching to it will be complied with and that the grant will be received. A grant in recognition of specific expenses is recognised as income over the periods necessary to match them with the related costs that they are intended to compensate, on a systematic basis. A grant related to depreciable assets is allocated to income over the period in which such assets are used in the project subsidised by the grant. A government grant related to assets, including non-monetary grants at fair value, is presented in the statement of financial position.

Critical Judgements, Assumptions and Estimation Uncertainties

The critical judgements made in the process of applying the accounting policies that have the most significant effect on the amounts recognised in the financial statements and the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

An allowance is made for doubtful trade accounts for estimated losses resulting from the subsequent inability of the customers to make required payments. If the financial conditions of the customers were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required in future periods. Management generally analyses trade accounts receivables and analyses historical bad debts, customer concentrations, customer creditworthiness, and changes in customer payment terms when evaluating the adequacy of the allowance for doubtful trade accounts. To the extent that it is feasible impairment and uncollectibility is determined individually for each item. In cases where that process is not feasible, a collective evaluation of impairment is performed. At the end of the reporting year, the trade receivables carrying amount approximates the fair value and the carrying amounts might change materially within the next financial year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year.

3. Related Party Transactions

FRS 24 defines a related party as a person or entity that is related to the reporting entity and it includes (a) A person or a close member of that person's family if that person: (i) has control or joint control over the reporting entity; (ii) has significant influence over the reporting entity; or (iii) is a member of the key management personnel of the reporting entity or of a parent of the reporting entity. (b) An entity is related to the reporting entity if any of the following conditions apply: (i) The entity and the reporting entity are members of the same group. (ii) One entity is an associate or joint venture of the other entity. (iii) Both entities are joint ventures of the same third party. (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity. (v) The entity is a post-employment benefit plan for the benefit of employees of either the reporting entity or an entity related to the reporting entity. (vi) The entity is controlled or jointly controlled by a person identified in (a). (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

3.1. Related parties:

There are transactions and arrangements between the company and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The current related party balances are unsecured without fixed repayment terms and interest unless stated otherwise. For financial guarantees a fair value is imputed and is recognised accordingly if significant where no charge is payable.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, this item includes the following: -

	Related Parties	
	2011	2010
	$	$
Rendering of Services	(10,650)	–
Salaries charged by related parties	206,560	169,592

3.2. Key management compensation:

	2011	2010
	$	$
Salaries and other short-term employee benefits	513,508	560,835

The above amounts are included under employee benefits expense. Included in the above amounts are the following items:

	2011	2010
	$	$
Remuneration of key management of the company	513,508	560,835

Key management personnel are the Director and External Director of the IP Academy, and those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly.

4. Revenue

	2011	2010
	$	$
Training course income	804,308	690,246
Conference income	163,665	–
Service fee income	–	6,400
	967,973	696,646

5. Other Income

	2011	2010
	$	$
Government Grant	18,232	–
Job Credit	1,945	27,894
Rendering of Services to Related Parties (Note 3)	10,650	–
Others	10,677	6,615
	41,504	34,509

6. Other Charges

	2011	2010
	$	$
Bad debt written off trade receivables	1,919	–

7. 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:-

	2011	2010
	$	$
Charging:		
Depreciation of property, plant and equipment	81,118	115,040
Rental on operating leases – property premises	270,323	237,594
Research expenses	–	2,305
Staff costs (including those of working directors)		
- salaries and other short-term employee benefits	1,128,167	1,154,804
- employer's contribution to defined contribution plan	86,313	76,923

8. Income Tax

The company has been registered as a charity under the Charities Act, 1994 with effect from 10 May 2004. Under the Income Tax Act charities are exempted from income tax.

9. Property, Plant and Equipment

	Leasehold improvements	Furniture and fittings	Office equipment	Computers	Total
			$		
Cost:					
At 1 April 2009	118,435	24,815	84,079	278,842	506,171
Additions	10,689	160	1,800	12,215	24,864
At 31 March 2010	129,124	24,975	85,879	291,057	531,035
Additions	3,500	318	2,676	7,772	14,266
At 31 March 2011	132,624	25,293	88,555	298,829	545,301
Accumulated Depreciation:					
At 1 April 2009	19,739	24,164	54,896	230,958	329,757
Depreciation for the year	63,114	301	15,139	36,486	115,040
At 31 March 2010	82,853	24,465	70,035	267,444	444,797
Depreciation for the year	44,360	690	10,597	25,471	81,118
At 31 March 2011	127,213	25,155	80,632	292,915	525,915
Net book value:					
At 1 April 2009	98,696	651	29,183	47,884	176,414
At 31 March 2010	46,271	510	15,844	23,613	86,238
At 31 March 2011	5,411	138	7,923	5,914	19,386

10. Trade and Other Receivables, Current

	2011	2010
	$	$
Trade receivables:		
Outside parties	77,827	32,718
Less: allowance for impairment losses	–	(5,250)
Sub-total	77,827	27,468
Other receivables:		
Deposits	72,046	67,046
Deferred expenses	60,881	61,023
Due from outside parties	1,800	51
Sub-total	134,727	128,120
Total trade and other receivables	212,554	155,588
Movement in above allowance:		
Balance at beginning of the year	5,250	5,250
Used / Bad debts written off	(5,250)	–
Balance at end of the year	–	5,250

11. Other Assets, Current

	2011	2010
	$	$
Prepayments	19,502	34,654

12. Cash and Cash Equivalents

	2011	2010
	$	$
Cash and bank balances	1,849,444	1,647,238

The interest earning balances are not significant.

12A. Cash and Cash Equivalents in the Statement of Cash Flows:

	2011	2010
	$	$
Amount as shown above	1,849,444	1,647,238
Cash and cash equivalents for statement of cash flows purposes at end of the year	1,849,444	1,647,238

13. Trade and Other Payables, Current

	2011	2010
	$	$
Outside parties	20,238	10,230
Accrued operating expenses	198,101	218,197
	218,339	228,427

14. Other Liabilities, Current

Deferred Revenue	98,568	130,863

15. Financial Instruments: Information on Financial Risks

15A. Classification of Financial Assets and Liabilities

The following table summarises the carrying amount of financial assets and liabilities recorded at the end of the reporting year by FRS 39 categories:

	2011	2010
	$	$
Financial assets:		
Cash and cash equivalents	1,849,444	1,647,238
Loans and receivables	212,554	155,588
At end of year	2,061,998	1,802,826
Financial liabilities:		
Trade and other payables at amortised cost	218,339	228,427
At end of year	218,339	228,427

Further quantitative disclosures are included throughout these financial statements.

15B. Financial Risk Management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. The management has certain practices for the management of financial risks. However these are not documented in formal written documents. The following guidelines are followed: All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following good market practices.

The company is exposed to currency and interest rate risks.

15C. Credit Risk on Financial Assets

Financial assets that are potentially subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner consist principally of cash balances with banks, cash equivalents and receivables. The maximum exposure to credit risk is: the total of the fair value of the financial instruments; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any loan payable commitment at the end of the reporting year. Credit risk on cash balances with banks and derivative financial instruments is limited because the counter-parties are entities with acceptable credit ratings. Credit risk on other financial assets is limited because the other parties are entities with acceptable credit ratings. For credit risk on receivables an ongoing credit evaluation is performed of the financial condition of the debtors and a loss from impairment is recognised in profit or loss. The exposure to credit risk is controlled by setting limits on the exposure to individual customers and these are disseminated to the relevant persons concerned and compliance is monitored by management.

Note 12 discloses the maturity of the cash and cash equivalents balances.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade receivable customers is about 30 days (2010: 30 days). But some customers take a longer period to settle the amounts.

15C. Credit Risk on Financial Assets (Cont'd)

(a) Ageing analysis of the age of trade receivable amounts that are past due as at the end of reporting year but not impaired:

	2011	2010
	$	$
Trade receivables:		
Less than 30 days	5,922	1,605
30-60 days	4,193	–
61-90 days	–	–
91-180 days	8,025	945
Over 180 days	–	14,217
At end of year	18,140	16,767

(b) Ageing analysis as at the end of reporting year of trade receivable amounts that are impaired:

	2011	2010
	$	$
Trade receivables:		
Over 180 days	–	5,250
At end of year	–	5,250

15D. Liquidity Risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities.

The average credit period taken to settle non-related payables is about 30 days (2009: 30 days). The other payables are with short-term durations.

The following tables analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

	2011	2010
	$	$
Less than one year		
Trade payable	316,907	359,290

15E. Interest Rate Risk

The interest rate risk exposure is mainly from changes in fixed rate and floating interest rates. The interest from financial assets including cash balances is not significant.

16. Operating Lease Payment Commitments

At the end of the reporting year the total of future minimum lease payment commitments under non-cancellable operating leases are as follows

	2011	2010
	$	$
Not later than one year	202,817	269,186
Later than one year and not later than five years	–	199,247
Rental expense for the year	270,323	237,594

Operating lease payments are for rentals payable for its office premises. The lease rental terms are negotiated for an average term of three years.

17. Changes and Adoption of Financial Reporting Standards

For the year ended 31 March 2011 the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement method or the presentation in the financial statements.

FRS No.	Title
FRS 27	Consolidated and Separate Financial Statements (*)
FRS 32	Classification of Rights Issues (Amendment to FRS 32) (*)
FRS 38	Intangible Assets (Amendments to) (*)
FRS 39	Amendments to FRS 39 Financial Instruments: Recognition and Measurement - Eligible Hedged Items (*)
FRS 101	First-Time Adoption of Financial Reporting Standards (*)
FRS 101	Additional Exemptions for First-time Adopters (Amendments to FRS 101) (*)
FRS 102	Group Cash-settled Share-based Payment Transactions (Amendments to FRS 102) (*)
FRS 103	Business Combinations (*)
FRS 105	Non-current Assets Held for Sale and Discontinued Operations (Amendments to) (*)
INT FRS 109	Reassessment of Embedded Derivatives (Amendments to) (*)

(*) Not relevant to the entity.

18. Future Changes in Financial Reporting Standards

The following new or revised Singapore Financial Reporting Standards that have been issued will be effective in future. The transfer to the new or revised standards from the effective dates is not expected to result in material adjustments to the financial position, results of operations, or cash flows for the following year.

FRS No.	Title	Effective date for periods beginning on or after
FRS 1	Presentation of Financial Statements Disclosures (Amendments to)	1 Jan 2011
FRS 103	Business Combinations (Amendments to) (*)	1 Jul 2010
FRS 107	Financial Instruments: Disclosures (Amendments to)	1 Jan 2011
FRS 107	Financial Instruments: Disclosures (Amendments to) - Transfers of Financial Assets (*)	1 Jul 2011
FRS 12	Deferred Tax (Amendments to) – Recovery of Underlying Assets (*)	1 Jan 2012
FRS 24	Related Party Disclosures (revised)	1 Jan 2011
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)	1 Jul 2011
FRS 34	Interim Financial Reporting (Amendments to) (*)	1 Jan 2011
INT FRS 113	Customer Loyalty Programmes (Amendments to) (*)	1 Jan 2011
INT FRS 114	Prepayments of a Minimum Funding Requirement (revised) (*)	1 Jan 2011
INT FRS 115	Agreements for the Construction of Real Estate (*)	1 Jan 2011
INT FRS 119	Extinguishing Financial Liabilities with Equity Instruments (*)	1 Jul 2010

(*) Not relevant to the entity.

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