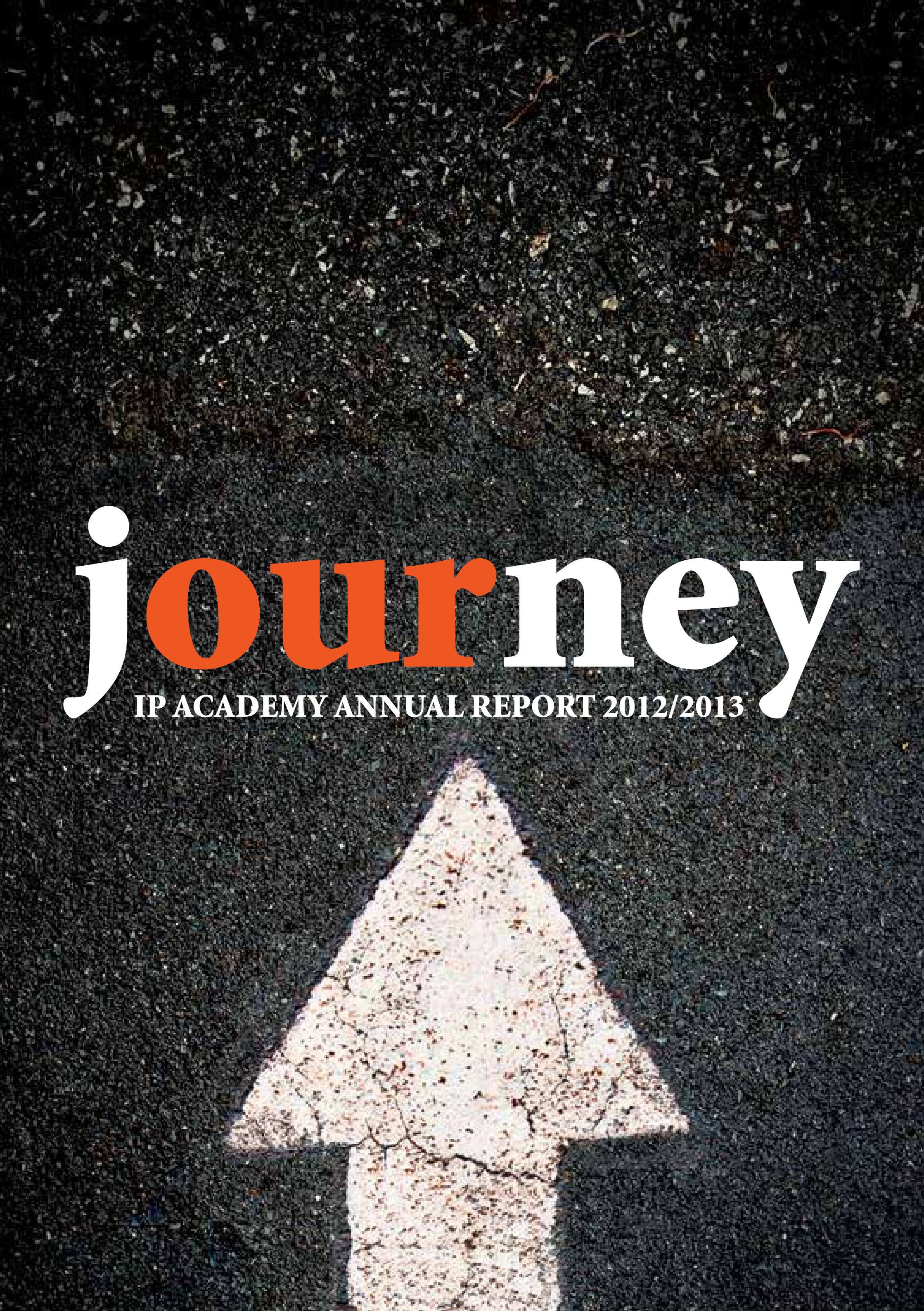
journey

IP ACADEMY ANNUAL REPORT 2012/2013



Contents

journey

A new journey has begun for us. And we have started that journey the right way. Heading in a clear direction, our every step represents our aspiration to realise our vision to become a leading centre of excellence when it comes to intellectual property capabilities. Leveraging on our knowledge and expertise in what we do best, we take each and every step carefully. We understand that every step counts as a springboard that can take us further and gear up for the next level. It's been a wonderful journey so far – and we look forward to trail-blazing times ahead!

leading the way to IP excellence

about us

The IP Academy was established in 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. Presently, IPA's role has evolved into building capacity for the growth of upcoming IP services industries, undertaking cutting edge research that will help in policy and decision making, as well as positioning Singapore as an IP hub through thought leadership activities.

IP Academy is a company limited by guarantee. On 1st April 2012, IP Academy was de-registered as a charity and became a wholly owned subsidiary of the Intellectual Property Office of Singapore.

staying focused on goals

our vision

The IP Academy aims to be a leading centre of excellence for executive IP education & thought leadership development, and to be a world-class resource 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:

- Developing practical IP training & educational courses for IP professionals, business managers & leaders, inventors & creators; and

- Conducting a range of IP thought-leadership programmes including multi-disciplinary research into IP & related areas, and organising high-level conferences & roundtables

taking the lead

IP Academy has performed well in the past one year. As the capacity-building arm of the Intellectual Property Office of Singapore (IPOS), IP Academy has provided IP professionals with the technical know-how and expertise and positioned Singapore as an IP thought leader in the world.

In WY 13, IP Academy has begun to align its programmes with the newly launched national IP framework known as IP Competency Framework (IPCF). Worked collaboratively with various stakeholders, the IPCF maps out competence needed and charts career advancement for an professional in IP. Under this framework, job-seekers keen to join the IP industry will have a quality assured framework to adhere to. Businesses and industries could also expect a step-up in the professionalism of our IP practitioners in the near future.

In Oct 13, IP Academy became the first Approved Training Provider to be accredited under the IPCF. With the accreditation, IP Academy is well positioned to spearhead and mastermind the development of IP competencies in Singapore and for the region. This has benefitted more than two thousand professionals in WY 13 which is more than double the through-put rate by comparison with the previous year.

chairman's message

This year saw the return of IP Academy's flagship event, the Global Forum on Intellectual Property (GFIP), which was held on 27-28 August 13 as part of IP Week@ SG 13. The Forum, themed "The Changing Global Innovation Landscape: Whither IP?", included a dedicated business/technology track to recognise the increased influence of IP in the fields of business and technology.

More than 1300 participants from 35 countries attended IP Week @SG 13, setting a new record. It has positively positioned GFIP as a global event in the world of IP.

To grow, IPA has been active to reach out to the world. IPA has worked hard to forge ties with other training institutes to establish greater connectivity and create networks.

To-date, IPA has signed Memoranda of Understanding (MOUs) with premier institutions from key markets spanning the UN, USA, Europe and China. These MOUs will enable IP Academy to stay au courant with the latest development in the world of IP so as to better serve the demand for IP competence in Asia and beyond.

IP Academy is growing. The target is an ambitious and forward looking one. Philip and Kai Chong have been invaluable to the Board in strengthening the development of IP Academy.

On behalf of the Board, we thank Lu Lin, management and colleagues for the excellent work. And, we wish, for our partners to continue to give us your support as we co-build Singapore into a Global IP Hub in Asia.

BG (NS) Tan Yih San
Chairman
IP Academy

powering ahead

Last year, we set out on the mission of charting a new journey for IPA. And what a journey it has been!

It has been a year of milestones and setting of records.

IP Academy was the first to embark on the resource-intensive but fulfilling project to develop new programmes aligned with the IP Competency Framework (IPCF) developed by the Intellectual Property Office of Singapore (IPOS). Developed by the industry, for the industry, the IPCF is the first such IP framework in the world. It will guide IP manpower development in Singapore and ensure that skills and manpower resources are harnessed effectively. We were happy that our efforts paid off and we successfully rolled out our first IPCF course as the first IPCF Approved Training Provider.

We had a record-setting number of intake for our flagship Graduate Certificate in IP (GCIP) program and the total number of trainees for all programmes exceeds 2,000, an all time high. Not only in numbers, IPA has also added to its program menu very carefully so as not to satiate but rather, to titillate one's IP appetite. For example, we launched a new "IPA Distinguished Speaker Series" in Apr 2013 with Sir Richard Lambert, the Chancellor of Warwick on "Latest Development in Industry-University Collaborations and Technology Transfer". Sir Lambert is known for the Lambert Review leading to the development of the Lambert Toolkit.

executive director's message

Besides the Global Forum on IP 2013, with a record number of delegates and which garnered rave reviews, we also launched the very first WIPO-Singapore Summer School. Lessons were learnt and friendships forged over lectures, discussions and meals! Our overseas students were delighted with the multi-disciplinary curriculum, reveled at the chance to imbibe the diverse cultural experience and savored with gusto the local culinary delights.

We have been actively engaging with premier institutions in key markets to increase cross-jurisdictional linkages. We signed Memoranda of Understanding (MOUs) with the WIPO Academy (Geneva), the Franklin Pierce IP Centre, University of New Hampshire, the Centre for International Intellectual Property Studies (CEIPI), University of Strasbourg, and the Guangzhou Development District. We feel privileged to collaborate with our esteemed partners and look forward to many fruitful and rewarding projects together.

The Board of Governors had been instrumental in providing direction for the new IPA, and I would like to take this opportunity to thank our Chairman BG(NS) Tan Yih San, fellow Governors Professor Tsui Kai Chong, and BG(NS) Philip Lim for their invaluable guidance and contributions to IPA.

The Advisory Panel (AP) had also been crucial in providing expert multi-disciplinary counsel to the Academy on its strategies, curricula, and programmes. The broad range of skills that the Advisory Panel brought to IPA was definitely a key factor in IPA achieving its goals, and my thanks go out to our AP chairman Dr. Stanley Lai, and the AP panel members, Dr. Lily Chan, Mr Suresh Sachi, Prof Anil Samtani, Prof Saw Cheng Lim, and Mr Geoffrey Yu for their outstanding service to IPA.

I would also like to take this chance to thank Dr Lim Eng Hann, our former Director (Programmes and Operations), for his service to IPA. We wish him all the best in his future endeavors.

I am very excited as I look ahead at the IP landscape before us. I look forward to another exciting year and working with all of you as we continue along the next stage of our journey to build greater IP expertise and grow the IP ecosystem together.

Chiam Lu-Lin
Executive Director
IP Academy

board of directors

The IP Academy's Board is the governing body of the Academy, providing expertise, connections and leadership. The Board oversees the formulation of strategic policies of the IP Academy, approves the annual budget, reviews the performance of the Academy and provides valuable insight and feedbackto assist IPA's Senior Management in charting the future direction of the Academy.

Chairman
BG (NS) Tan Yih San
Chief Executive,
Intellectual Property Office
of Singapore

Member
Professor Tsui Kai Chong
Provost & Professor in
Finance, SIM University

Member
BG (NS) Philip Lim
Chief Executive Officer,
Exploit Technologies Pte Ltd

Member
Ms Chiam Lu-Lin
Deputy Chief Executive
(Capacity Building Group/
Hearings & Mediation
Group), IPOS
Executive Director,
IP Academy

advisory panel

The Advisory Panel is represented by distinguished university leaders, professionals and industry experts. The Advisory Panel will help provide multi-disciplinary perspectives to and advise the Academy on its strategies, curricula and programs.

Chair
Dr Stanley Lai, SC
Partner,
Head of IP & Technology,
Allen & Gledhill

Member
Mr Geoffrey Yu
Senior Advisor to Dean
& Adjunct Professor,
Lee Kuan Yew
School of Public Policy,
National University of
Singapore

Member
Mr Suresh Sachi
Deputy Managing
Director (CG)
General Counsel,
Agency for Science,
Technology and Research

Member
Dr Lily Chan
Chief Executive Officer,
NUS Enterprise,
National University of
Singapore

Member
Associate Professor Anilkumar Samtani
Associate Professor of Law,
Nanyang Business School,
Deputy Director, CAPTEL
Nanyang Technological
University

Member
Associate Professor Saw Cheng Lim
Associate Professor,
School of Law,
Singapore Management
University

Ms Chiam Lu-Lin
Executive Director
IP Academy

Ms Chiam Lu-Lin is responsible for the management of IP Academy, the development of world-class IP education curricula and forging of strategic and international links.

Mr. Kok Kitt-Wai (wef April 2013)
Director
IP Academy

Mr Kok Kitt-Wai oversees the corporate services & operations of IP Academy and the development and implementation of training programmes.

corporate information (as of September 2013)

Faculty
Ms Elaine Leong
Ms Ng Puay San
Mr Kelvin Sum

Programmes
Mr Jack Cheng
Ms Noridah Jamaluddin
Ms Dilpreet Kaur
Ms Rachel Koh
Mr Stanley Lim
Mr Kelvin Ong
Mr Peh Toon Meng
Ms Isabelle Tan
Ms Tay Soh Hui
Ms Wint Shwe Yee
Ms Pearlyn Yap

Corporate Development
Ms Ivy Ng
Ms Connie Yeoh

Research
Mr Chua Wee Song
Mr Kelvin Sum

Special Projects
Ms Ashley Koh
Mr Felix Lim

Legal Consultant
Mr Mark Lim

Company Registration No.
200300851Z

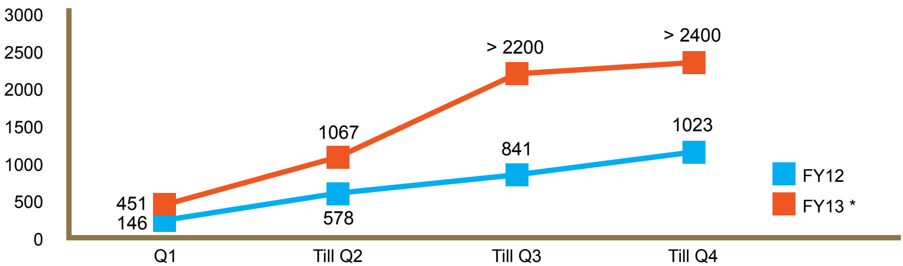
Company Secretary
Ms Elaine Leong

Registered Office
8 Wilkie Road #03-01
Wilkie Edge
Singapore 228095

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

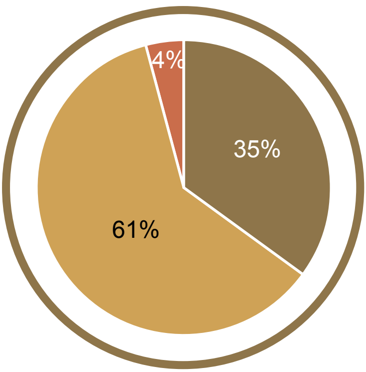
on track for excellence

Number of Attendees

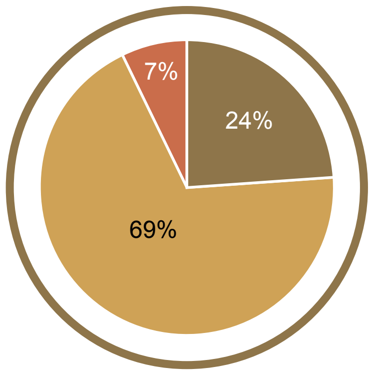


*Estimated based on projection for FY 2013 (Q3, Q4)

% of Programmes by Level



FY12
% programmes
by level

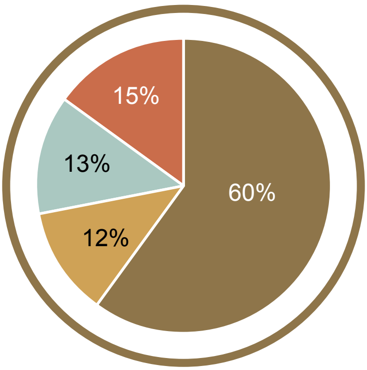


FY13 (Q1,Q2)
% programmes
by level

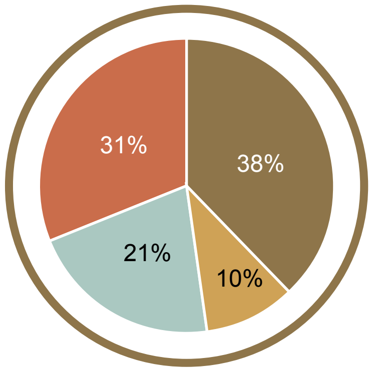
foundation   skills   certificate

training statistics

% of Attendees by Segment



FY12
% attendees
by segment

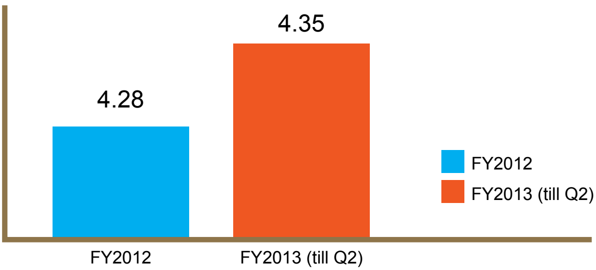


FY13 (Q1,Q2)
% attendees
by segment

- public sector officers
- patent agents & lawyers
- IP business consultants/SMEs
- Technology Transfer Offices & Researches, Scientists and Engineers

Average Quality Ratings (on a scale of 0 to 5)

The rating is based on the question: “The concepts and skills presented will be useful and relevant to my work and/or future work.”



our area of focus

IP Academy

Programmes

- Patent Agents/ Lawyers
- Tech Transfer Officers/ Research Scientists & Engineers
- SMEs & IP Consultants
- Public Agencies

Research

- Legal
- Econometrics
- Business
- Technology

Thought Leadership

- Flagship Events - e.g. GFIP
- Roundtables / Seminars
- Overseas Collaborations
- Publications

IPA/Adjunct Fellows, Faculty & Adjunct Lecturers

Admissions & Programme Mgmt

Special Projects, Marketing & Business Development

Corporate Development

the year in review

IP Academy (IPA) is Singapore's leading institution dedicated to providing first-class executive IP education, thought leadership development, and a world-class resource for research capabilities to deepen and broaden knowledge and capabilities in Intellectual Property (IP) protection, exploitation and management.

The IP Academy has three key strategies:

- Developing practical IP training and educational courses for IP professionals, business managers and leaders, inventors & creators;
- Conducting a range of IP thought-leadership programmes including organising high-level conferences and roundtables; and
- Focusing on carrying out multi-disciplinary evidence-based research on topics that would be useful for policy makers and the industry.

The transformation of IP Academy took place in tandem with the changes in the Intellectual Property Office of Singapore or IPOS, which revised its vision in a strategic shift in orientation to position Singapore internationally as an IP Hub of Asia.

Dedicated to providing first-class executive IP education, IP Academy has conducted and supported numerous programmes, trainings and/or initiatives. Some of them are mentioned here.

Programmes

Intellectual Property Competency Framework (IPCF) Programmes

IP Academy is proud to be the first training provider to be accredited under the Intellectual Property Competency Framework (IPCF). It develops appropriate programmes under the framework to build a globally competitive IP workforce that is equipped with specialised IP skill sets and supports the continued professional development of IP professionals.

We are working on developing numerous new courses under the IPCF. Amongst the first to be rolled out would be a series of modules for the business consultants. The IPCF-certified modules will cater to the needs of patent agents, lawyers, technology transfer officers, businesses and the public sector.

the year in review

WIPO Summer School

IP Academy had brought the renowned WIPO Summer School to Singapore for the first time in June this year. 30 young professionals from 12 countries participated in the 2-week long curriculum which provided an opportunity for them to acquire deeper knowledge of IP and to gain an appreciation of IP as a tool for economic, social, cultural and technological development.

"WIPO-Singapore Summer School on IP" on 11 - 25 June 2013

Training Programme(s) for Patent Agent/Lawyers

The Patent Agent Training Series is a brand new training suite launched by IP Academy to train professionals in Patent Agent work, as well as help aspiring agents achieve the necessary skills to qualify as Singapore Registered Patent Agents. The training programmes cover in depth patent related topics, lessons on practical skills and training assessments which will expose candidates to actual work scenarios, in addition to the wealth of theoretical knowledge.

The first programme in the series that was introduced was "Handle Patent Infringement and Invalidity", which was conducted in August 2013. Topics covered in the programme include establishing a valid priority claim, determining sufficiency of description and assessing of infringing item. The programme is intended for those who already have a basic understanding of patents and will provide, through homework assignments and in-class work, exposure to the actual practice of patents. The programme also includes rigorous training for those intending to pursue the Singapore Patent Agents Qualifying Examinations.

2012 / 2013 in review

Training Programme(s) for SMEs & IP Consultants

In 2013, we leveraged on the World IP Day to reach out to the business community. The World IP Day, held on 26 April annually, is an international event established by the World Intellectual Property Organisation to celebrate IP's role in encouraging innovation and creativity. IP Academy organised two events, one targeting the IP professionals and another seeking to reach out to the small and medium sized enterprises.

Entitled **"Panel Discussion: Copyright Law in Singapore - The Way Forward"**, the first event successfully reached out to some 30 participants, which comprised a good mix of policy makers and IP professionals, to generate a lively exchange on how the copyright regime in Singapore could be modernized with the advent of the digital age and the internet.

The second event, entitled **"Change the Game SMEs! Leverage on Your IP"**, successfully reached out to 28 small and medium sized enterprises and business consultants. Participants acquired valuable and practical skill sets on how to better leverage on their intellectual assets/property to improve their competitive edge.

the year in review

Training Programme(s) for Public Agencies

IP Academy organised several training programmes for public agencies, some of which included the following:

(1) Basic IPM Course for MOM Officers

On 22 August 2013, a Basic IPM Course was conducted for Ministry of Manpower (MOM) officers. Attended by 38 participants, the course aimed to encourage MOM officers to appreciate and understand Intellectual Property better and the guidelines of IPM in the public sector. The course also trained the participants in identifying different types of IP and associated IPs, using copyrighted materials and managing IP issues in procurement. They were also introduced to MOM's IP policies.

(2) IP Valuation Course for IRAS Officers

An IP Valuation Course for the Inland Revenue Authority of Singapore (IRAS) officers was conducted on 2-3 September 2013, which was actively participated by 49 IRAS officers. The one and a half-day course had taught the participants about various IP valuation methodologies and evaluation of the appropriate valuation methods for each type of Intellectual Property Right (IPR).

Over the next year, the team will continue organising several forums, courses and workshops for different agencies in Singapore.

Research

Building up a team

The move towards making IP Academy a regional thought leader for IP took additional steps in 2013. With guidance from the IPA Board of Governors, the Research and Statistics Unit began its own little journey to focus on statistics and conduct evidence-based research.

Policy Research Project

IP Academy commenced our first commissioned evidence-based research project this year, to review whether it was necessary to have a second tier of patent protection. This is timely in view of the proposed implementation of a positive grant system. Building on an IPA thought leadership project in 2005 that resulted in the publication “Innovation without Patents”, the present study required an analysis of the costs and benefits of a second tier patent system. We are pleased to work with our Professorial fellow Dr Ivan Png, who has world-class economics expertise, on this project. Other exciting projects in the pipeline include a survey on IP manpower and a study on the contributions of IP intensive industries.

Course on “Introduction of Examination on Hybrid Electrical Vehicle” by Mr Kazuhito Yamamura on 13 August 2013

Hosting JPO researchers

We were happy to have been able to host Mr Kazuhito Yamamura, a patent examiner from the Japan Patent Office (JPO), for 6 months for his research project on “IP Human Resource Development in Singapore”. IP Academy provided Mr Yamamura with all the necessary support for his project, including providing access to materials and key personnel in charge of IP capability development in Singapore. During his stint, Mr Yamamura also shared his expertise on patent examination in the JPO, and through 2 seminars, Mr Yamamura provided valuable insights on patent examination to IPOS’ Search and Examination team. Mr Yamamura’s final report was also enlightening on the status of IP capability development in Japan. With such a good outcome from this visit, the Research and Statistics Unit will continue to look for similar opportunities of mutual benefit in the future.

Thought Leadership

Global Forum on Intellectual Property (GFIP) 2013

Regarded as a flagship event of IP Academy, the 4th Global Forum on Intellectual Property (GFIP) was successfully convened on 27-28 August 2013 as the anchor event of IP Week@SG 2013. More than 1,300 people participated in IP Week@SG 2013.

Themed "The Changing Global Innovation Landscape: Whither IP?," the plenary sessions of the forum covered remarkable discussion topics for the 600 IP leaders and decision makers who came from 34 countries to attend the Global Forum. This year, the breakout sessions included a dedicated business and technology track to recognise the increased influence of IP in the field of business and technology. The participants discussed, shared and exchanged their respective ideas, strategies and insights about IP.

Opening Address by Mr Teo Chee Hean, Deputy Prime Minister, Chairman, National Research Foundation

GFIP 2013 Plenary Sessions

2012 / 2013 in review

Establishing Global Connections

IP Academy regularly seeks out new opportunities to form various strategic partnerships with leading global IP institutions, international organisations and established institutes of higher learning and bring practitioners, academia and industry players to exchange ideas on IP. IPA has signed Memoranda of Understanding (MOUs) with the WIPO Academy (Geneva), the Franklin Pierce IP Centre, University of New Hampshire, the Centre for International Intellectual Property Studies (CEIPI), University of Strasbourg, and the Guangzhou Development District.

IP Academy's Distinguished Speaker Series

The IP Academy's Distinguished Speaker Series is one of our new programme offerings where we bring world renowned thought leaders to share their views and insights, with a particular focus on Asia's context.

We were delighted to have Sir Richard Lambert, former Director-General of the UK Confederation as our first speaker for the IP Academy Distinguished Speaker series. His perspectives on the latest developments in industry-university collaborations and technology transfer in the Europe were well received by our distinguished guests who represented the who's-who in the local universities/ tech transfer scene.

Publications

Intellectual property (IP) issues have been receiving greater attention in the media than ever before, with articles relating to IP appearing in the newspapers almost on a daily basis. IP Academy contributes meaningful articles to elevate the discussions on current topics and aims to provide a wholistic, balanced and objective view of the IP regime, backed by statistics and evidence from our Research and Statistics Unit. Our articles have appeared in the Opinion and Forum pages of our local newspapers.

Moving Forward

In the coming years, IP Academy will be growing its space and sphere, anchored around a viable and differentiated niche, to offer more specialised programmes and provide quality skill sets to help meet market demands in the region. The IP Academy will also be emphasising new services, such as the setting up of IP Career Advisory and an IP Academy Alumini Network, to benefit our customers and stakeholders.

2012 / 2013 in review

More Highlights

Course on "Solving Controversies in the ownership of IP" by Mr Philip Mendes on 21 October 2013

Shanghai Intellectual Property Administration (SIPA) visit on 27 August 2013

Visit by Guangdong Counsellor's Office, The People's Government of Guangdong Province, China on 26 November 2013

Our GCIP Graduates 2012/2013

DIRECTORS’ REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 31 MARCH 2013

CONTENTS

IP ACADEMY (Registration No: 200300851Z)
(A company incorporated in Singapore, limited by guarantee and not having a share capital)

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 2013.

1. Directors at Date of Report

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

BG (NS) Tan Yih San
Prof Tsui Kai Chong
BG (NS) Philip Lim (Appointed 1 April 2012)
Ms Chiam Lu Lin

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

The company is limited by guarantee and has no share capital.

3. Directors' Interests in Shares and Debentures

The company is limited by guarantee. There were no shares or debentures issued.

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 Singapore Companies Act, Chapter 50 (the "Act"), by reason of a contract made by the company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest. Certain directors of the company received remuneration from related corporations in their capacity as directors and or executives of those related corporations.

5. Options to Take Up Unissued Shares

The Company is limited by guarantee. As such, there are no share options or unissued shares under option.

6. Independent Auditors

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

On Behalf of The Directors

....
Tan Yih San
Director

....
Chiam Lu Lin
Director

22 July 2013

IP ACADEMY (Registration No: 200300851Z)
(A company incorporated in Singapore, limited by guarantee and not having a share capital)

Statement by Directors

In the opinion of the directors,

(a) the accompanying statement of financial activities, statement of financial position, statement of changes in funds, 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 2013 and of the results, changes in fund and cash flows of the company for the reporting 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 Behalf of The Directors

Tan Yih San
Director

Chiam Lu Lin
Director

22 July 2013

Report on the Financial Statements

We have audited the accompanying financial statements of IP Academy, which comprise the statement of financial position as at 31 March 2013, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and a summary of significant accounting policies and other explanatory information.

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, Chapter 50 (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.

Auditor's 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 of financial statements that give a true and fair view 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.

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 2013 and the results, changes in funds 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

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RSM Chio Lim LLP
Public Accountants and
Chartered Accountants
Singapore

22 July 2013

Partner in charge of audit: Derek How Beng Tiong

Statement of Financial Activities

Year Ended 31 March 2013

	Notes	2013 $	2012 $
Revenue	4	878,491	664,290
Programme Expenditure		(439,213)	(492,060)
Surplus of Revenue over Programme Expenditure		439,278	172,230
Other Items of Income			
Other Income		449	4,183
Other Items of Expense			
Administrative Expenses		(1,639,163)	(1,627,452)
Excess of Expenditure over Income before Tax and Government Grants	5	(1,199,436)	(1,451,039)
Amount Transferred from Government Grants		1,939,515	1,451,039
Excess of Expenditure over Income after Government Grants before Tax		740,079	–
Income Tax Expense	6	(56,600)	–
Surplus for the Year		683,479	–

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

IP ACADEMY (Registration No: 200300851Z)
(A company incorporated in Singapore, limited by guarantee and not having a share capital)

Statement of Financial Position

As at 31 March 2013

	Notes	2013 $	2012 $
ASSETS			
Non-Current Assets			
Property, Plant and Equipment	7	241,850	4,393
Total Non-Current Assets		241,850	4,393
Current Assets			
Trade and Other Receivables, Current	8	819,914	178,803
Other Assets, Current	9	1,917	5,306
Cash and Cash Equivalents	10	1,136,568	768,045
Total Current Assets		1,958,399	952,154
Total Assets		2,200,249	956,547
Current Liabilities			
Trade and Other Payables, Current	11	363,465	903,042
Other Liabilities, Current	12	1,096,705	53,505
Income Tax Payable, Current		56,600	–
Total Current Liabilities		1,516,770	956,547
Net Assets		683,479	–
Funds			
Accumulated Surplus		683,479	–
Total Funds		683,479	–

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

Statement of Changes in Funds

Year Ended 31 March 2013

	Total Funds $	Government Fund $	Accumulated Surplus $
Current Year:			
Opening Balance at 1 April 2012	–	–	–
Movements in Funds:			
Grants Received during the Year	1,410,924	1,410,924	–
Grants Held On Behalf by Parent Company	528,591	528,591	–
Grants Amortised	(1,939,515)	(1,939,515)	–
Surplus for the Year	683,479	–	683,479
Closing Balance at 31 March 2013	683,479	–	683,479
Previous Year:			
Opening Balance at 1 April 2011	1,783,979	1,783,979	–
Grants Received during the Year	397,565	397,565	–
Grants Payable to Ministry of Law	(730,505)	(730,505)	–
Grants Amortised	(1,451,039)	(1,451,039)	–
Closing Balance at 31 March 2012	–	–	–

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

IP ACADEMY (Registration No: 200300851Z)
(A company incorporated in Singapore, limited by guarantee and not having a share capital)

Statement of Cash Flows
Year Ended 31 March 2013

	2013 $	2012 $
Cash Flows From Operating Activities		
Excess of Expenditure over Income before Tax and Government Grant	(1,199,436)	(1,451,039)
Adjustment for:		
Depreciation of Property, Plant and Equipment	75,746	15,793
Operating Cash Flows before Changes in Working Capital	(1,123,690)	(1,435,246)
Trade and Other Receivables, Current	(641,111)	33,751
Other Assets, Current	3,389	14,196
Trade and Other Payables, Current	(539,577)	(45,802)
Other Liabilities, Current	1,043,200	(45,063)
Grants Held On Behalf by Parent company	528,591	–
Net Cash Flows Used in Operating Activities	(729,198)	(1,478,164)
Cash Flows From Investing Activities		
Purchase of Plant and Equipment	(313,203)	(800)
Net Cash Flows Used in Investing Activities	(313,203)	(800)
Cash Flows From Financing Activities		
Grant Received from Government	1,410,924	397,565
Net Cash Flows From Financing Activities	1,410,924	397,565
Net Increase/(Decrease) in Cash and Cash Equivalents	368,523	(1,081,399)
Cash and Cash Equivalents, Statement of Cash Flow, Beginning Balance	768,045	1,849,444
Cash and Cash Equivalents, Statement of Cash Flow, Ending Balance (Note 10A)	1,136,568	768,045

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

Notes to the Financial Statements
31 March 2013

1. General

The company is incorporated in Singapore as a company limited by guarantee. The financial statements are presented in Singapore dollar.

The board of directors approved and authorised these financial statements for issue on the date of the statement of directors.

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 situated 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, Chapter 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, 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 not significant transactions is recognised as the services are provided or when the significant acts have been 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 income taxes are accounted using the asset and liability method that requires the recognition of taxes payable or refundable for the current year and deferred tax liabilities and assets for the future tax consequence of events that have been recognised in the financial statements or tax returns. The measurements of current and deferred tax liabilities and assets are based on provisions of the enacted or substantially enacted tax laws; the effects of future changes in tax laws or rates are not anticipated. Income tax expense represents the sum of the tax currently payable and deferred tax. Current and deferred income taxes are recognised as income or as an expense in profit or loss unless the tax relates to items that are recognised in the same or a different period outside profit or loss. For such items recognised outside profit or loss the current tax and deferred tax are recognised (a) in other comprehensive income if the tax is related to an item recognised in other comprehensive income and (b) directly in equity if the tax is related to an item recognised directly in equity. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same income tax authority. The carrying amount of deferred tax assets is reviewed at each end of the reporting year and is reduced, if necessary, by the amount of any tax benefits that, based on available evidence, are not expected to be realised. A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss). A deferred tax liability or asset is recognised for all taxable temporary differences associated with investments in subsidiaries, branches and associates, and interests in joint ventures except where the reporting entity is able to control the timing of the reversal of the taxable temporary difference and it is probable that the taxable temporary difference will not reverse in the foreseeable future or for deductible temporary differences, they will not reverse in the foreseeable future and they cannot be utilised against taxable profits.

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 as qualifying cash flow hedges. The presentation is in the functional currency.

2. Summary of Significant Accounting Policies (Cont'd)

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	–	31%
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 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, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs 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 is 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 reporting year 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 reporting years 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.

2. Summary of Significant Accounting Policies (Cont'd)

Leases (Cont'd)

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.

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. When the fair value less costs to sell method is used, any available recent market transactions are taken into consideration.

When the value in use method is adopted, in assessing the 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, measurement and derecognition:

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 on the derecognition test prescribed by FRS 39 relating to the transfer of risks and rewards of ownership and the transfer of control.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Assets (Cont'd)

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. 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 flows the item includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management.

2. Summary of Significant Accounting Policies (Cont'd)

Financial Liabilities

Initial recognition, measurement and derecognition:

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 or loss 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.

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: Liabilities are classified in this category when they are incurred principally for the purpose of selling or repurchasing in the near term (trading liabilities) or are derivatives (except for a derivative that is a designated and effective hedging instrument) or have been classified in this category because the conditions are met to use the "fair value option" and it is used. All changes in fair value relating to liabilities at fair value through profit or loss are charged to profit or loss as incurred.

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.

2. Summary of Significant Accounting Policies (Cont'd)

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 and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the 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 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. The maximum exposure to credit risk is: the total of the fair value of the financial assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year.

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.

A provision is 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 reporting year 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.

2. Summary of Significant Accounting Policies (Cont'd)

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 currently or within the next reporting 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.

Allowance for doubtful trade accounts:
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 receivables and historical bad debts, customer concentrations, and customer creditworthiness when evaluating the adequacy of the allowance for doubtful trade receivables. 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 reporting year but these changes would not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amount is disclosed in the Note 8 on trade and other receivables.

3. Related Party Relationships and 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 companies:

With effect from 1 April 2012, the company is a subsidiary of Intellectual Property Office of Singapore, incorporated in Singapore that is also the company's ultimate parent company.

There are transactions and arrangements between the reporting entity and its parent company and the effects of these on the basis determined between the parties are reflected in these financial statements. The current intercompany balances are unsecured without fixed repayment terms and interest unless stated otherwise. For any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed unless stated otherwise. The transactions were not significant.

3. Related Party Relationships and Transactions (Cont'd)

Significant related company transactions:

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

	Parent	
	2013 $	2012 $
Training course income	(115,282)	(27,989)
Research income	(35,000)	–
Rendering of services	118,488	–
Programme expenditure	–	3,754

3.2 Other related parties:

There are transactions and arrangements between the reporting entity 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 any significant non-current balances and significant financial guarantees an interest or charge is charged or imputed unless stated otherwise.

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

	Related Party	
	2013 $	2012 $
Training course income	–	(24,078)
Programme expenditure	–	134,888

3.3 Key management compensation:

	2013 $	2012 $
Salaries and other short-term employee benefits	407,424	495,421

3. Related Party Relationships and Transactions (Cont'd)

3.3 Key management compensation: (Cont'd)

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

	2013 $	2012 $
Remuneration of key management of the company	407,424	495,421

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.

3.4 Other receivables from related parties:

The trade transactions and the trade receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

	Parent	
	2013 $	2012 $
Other receivables:		
Balance at beginning of year	–	–
Receipt on behalf of the company	598,591	–
Balance at end of year	598,591	–

4. Revenue

	2013 $	2012 $
Training course income	843,491	648,739
Research income	35,000	–
Conference income	–	15,551
	878,491	664,290

5. 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:

	2013 $	2012 $
Charging:		
Depreciation of property, plant and equipment	75,746	15,793
Rental on operating leases – property premises	223,231	248,832
Staff costs (including those of working directors)		
- salaries and other short-term employee benefits	934,244	1,108,957
- employer's contribution to defined contribution plan	95,564	80,899

6. Income Tax

6A. Components of tax (income) expense recognised in profit or loss include:

	2013 $	2012 $
Current tax expense	56,600	–

6. Income Tax (Cont'd)

6A. Components of tax (income) expense recognised in profit or loss include: (Cont'd)

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2012: 17%) to profit or loss before income tax as a result of the following differences:

	2013 $	2012 $
Excess of Expenditure over Income before Government Grants before Tax	1,199,436	–
Income tax income at the above rate	(203,904)	
Not deductible items	336,199	–
Productivity and innovation credit	(14,251)	–
Tax exemption	(25,925)	–
Tax rebate	(24,243)	–
Deferred tax liability not provided	(9,532)	–
Other items less than 3%	(1,744)	–
Total income tax expense	56,600	–

There are no income tax consequences of dividends to owners of the company.

6B. Deferred tax expense recognised in profit or loss includes:

	2013 $	2012 $
Excess of net book value of plant and equipment over tax written down values	(9,532)	–
Deferred tax liability not provided for	9,532	–
Total deferred income tax expense recognised in profit or loss	–	–

6. Income Tax (Cont'd)

6C. Deferred tax balance in the statement of financial position:

	2013 $	2012 $
Deferred tax liabilities:		
Excess of net book value of plant and equipment	(9,532)	–
Deferred tax liabilities not provided for	9,532	–
Total deferred tax liabilities	–	–

7. Property, Plant and Equipment

	Leasehold improvements $	Furniture and fittings $	Office equipment $	Computers $	Total $
Cost:					
At 1 April 2011	132,624	25,293	88,555	298,829	545,301
Additions	–	–	800	–	800
At 31 March 2012	132,624	25,293	89,355	298,829	546,101
Additions	313,203	–	–	–	313,203
Written off	(132,624)	(2,864)	(51,685)	(26,112)	(213,285)
At 31 March 2013	313,203	22,429	37,670	272,717	646,019
Accumulated Depreciation:					
At 1 April 2011	127,213	25,155	80,632	292,915	525,915
Depreciation for the year	4,098	138	6,440	5,117	15,793
At 31 March 2012	131,311	25,293	87,072	298,032	541,708
Depreciation for the year	73,590	–	1,359	797	75,746
Written off	(132,624)	(2,864)	(51,685)	(26,112)	(213,285)
At 31 March 2013	72,277	22,429	36,746	272,717	404,169
Net book value:					
At 1 April 2011	5,411	138	7,923	5,914	19,386
At 31 March 2012	1,313	–	2,283	797	4,393
At 31 March 2013	240,926	–	924	–	241,850

8. Trade and Other Receivables, Current

	2013 $	2012 $
Trade receivables:		
Outside parties	78,401	36,388
Parent company	27,925	30,324
Sub-total	106,326	66,712
Other receivables:		
Deposits	48,986	67,846
Deferred expenses	66,011	43,945
Parent company (Note 3)	598,591	–
Due from outside parties	–	300
Sub-total	713,588	112,091
Total trade and other receivables	819,914	178,803

9. Other Assets, Current

	2013 $	2012 $
Prepayments	1,917	5,306

10. Cash and Cash Equivalents

	2013 $	2012 $
Not restricted in use	1,136,568	768,045

The interest earning balances are not significant.

10A. Cash and Cash Equivalents in the Statement of Cash Flows:

	2013 $	2012 $
Amount as shown above	1,136,568	768,045
Cash and cash equivalents for statement of cash flows purposes at end of the year	1,136,568	768,045

11. Trade and Other Payables, Current

	2013 $	2012 $
Outside parties	11,111	7,200
Accrued operating expenses	352,354	165,337
Grants payable to Ministry of Law [(a)]	–	730,505
	363,465	903,042

[(a)] As part of the process for de-registration as a charity, the company had returned an amount of $730,505 equivalent to the net asset position as at 31 March 2012 to Ministry of Law.

The company had successfully de-registered from its charitable status with effective from 31 March 2012.

12. Other Liabilities, Current

	2013 $	2012 $
Government Grant	1,000,000	–
Deferred revenue	96,705	53,505
	1,096,705	53,505

13. Financial Instruments: Information on Financial Risks

13A. 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:

	2013 $	2012 $
Financial assets:		
Cash and cash equivalents	1,136,568	768,045
Trade and other receivables	819,914	178,803
At end of the year	1,956,482	946,848
Financial liabilities:		
Trade and other payables measured at amortised cost	363,465	903,042
At end of the year	363,465	903,042

Further quantitative disclosures are included throughout these financial statements.

13. Financial Instruments: Information on Financial Risks (Cont'd)

13B. 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. 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.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

13C. Fair Values of Financial Instruments Stated at Amortised Cost in the Statement of Financial Position

The financial assets and financial liabilities at amortised cost are at a carrying amount that is a reasonable approximation of fair value.

13D. 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 assets; the maximum amount the entity could have to pay if the guarantee is called on; and the full amount of any payable commitments at the end of the reporting year. Credit risk on cash balances with banks and any other financial instruments is limited because the counter-parties are entities with acceptable credit ratings.

For credit risk on receivables an ongoing credit evaluation is performed on 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. There is no significant concentration of credit risk, as the exposure is spread over a large number of counter-parties and customers.

As disclosed in Note 10, cash and cash equivalents balances not restricted in use are liquid with less than 90 days maturity.

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 (2012: 30 days). But some customers take a longer period to settle the amounts.

13. Financial Instruments: Information on Financial Risks (Cont'd)

13D. Credit Risk on Financial Assets (Cont'd)

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

	2013 $	2012 $
Trade receivables:		
Less than 30 days	1,252	5,885
30-60 days	6,249	90
61-90 days	5,136	–
91-180 days	2,803	2,327
Over 180 days	4,463	30
At end of the year	19,903	8,332

As at end of the reporting year, there were no amounts that were impaired.

Other receivables are normally with no fixed terms and therefore there is not maturity.

13E. Liquidity Risk

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

	2013 $	2012 $
Less than one year:		
Trade and other payables	363,465	903,042

The liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be paid at their contractual maturity. The average credit period taken to settle trade payables is about 30 days (2012: 30 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be are available to meet liquidity needs and no further analysis is deemed necessary.

13F. 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.

14. 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:

	2013 $	2012 $
Not later than one year	203,540	72,870
Later than one year and not later than five years	508,849	–
Rental expense for the year	223,231	248,832

Operating lease payments are for rentals payable for its office premises.

15. Changes and Adoption of Financial Reporting Standards

For the current reporting year the following new or revised Singapore Financial Reporting Standards were adopted. The new or revised standards did not require any modification of the measurement methods or the presentation in the financial statements.

FRS No.	Title
FRS 12	Deferred Tax (Amendments to) – Recovery of Underlying Assets (*)
FRS 107	Financial Instruments: Disclosures (Amendments to) – Transfers of Financial Assets (*)

(*) Not relevant to the entity.

16. 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	Amendments to FRS 1 – Presentation of Items of Other Comprehensive Income	1 Jul 2012
FRS 1	Amendment to FRS 1 Presentation of Financial Statements (Annual Improvements)	1 Jan 2013
FRS 16	Amendment to FRS 16 Property, Plant and Equipment (Annual Improvements)	1 Jan 2013
FRS 19	Employee Benefits (Revised)	1 Jan 2013
FRS 27	Consolidated and Separate Financial Statements (Amendments to) (*)	1 Jan 2014
FRS 27	Separate Financial Statements (Revised) (*)	1 Jan 2014
FRS 28	Investments in Associates and Joint Ventures (Revised) (*)	1 Jan 2014
FRS 32	Amendment to FRS 32 Financial instruments: Presentation (Annual Improvements)	1 Jan 2013
FRS 107	Amendments to FRS 32 and 107 titled Offsetting Financial Assets and Financial Liabilities (*)	1 Jan 2013
FRS 110	Consolidated Financial Statements (*)	1 Jan 2014
FRS 111	Joint Arrangements (*)	1 Jan 2014
FRS 112	Disclosure of Interests in Other Entities (*)	1 Jan 2014
FRS 110	Amendments to FRS 110, FRS 111 and FRS 112 (*)	1 Jan 2014
FRS 113	Fair Value Measurements	1 Jan 2013
INT FRS 120	Stripping Costs in the Production Phase of a Surface Mine (*)	1 Jan 2013

(*) Not relevant to the entity.

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