



SymAsia Foundation Limited
Registration Number: 201011619R

Financial Statements
Year ended 31 May 2012

Directors' report

We are pleased to submit this annual report to the members of the Company together with the audited financial statements for the financial year ended 31 May 2012.

Directors

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

Chairman

Tommy Koh

(Appointed on 21 April 2010)

Board Members

Ee Hock Kim Gerard

(Appointed on 1 June 2010)

Cheng Jue Hiang, Willie

(Appointed on 1 June 2010)

Jose Isidro Navato Camacho

(Appointed on 1 June 2010)

Jane Itogi

(Appointed on 1 June 2010)

Under Article 7 of its Memorandum of Association, the member of the Company guarantee to contribute a sum not exceeding \$10 to the assets of the Company in the event of it being wound up. The member of the Company is Credit Suisse AG.

Directors' interest

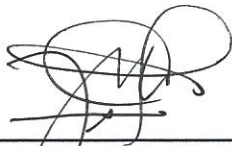
Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the last financial year, no director has received or become entitled to receive a benefit 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.

Auditors

The auditors, KPMG LLP have indicated their willingness to accept re-appointment.

On behalf of the Board of Directors



Name *JOSE ISIDRO NAVATO CAMACHO*
Director



Name *EE HOCK KIM GERARD*
Director

[5 November 2012]

Statement by directors

In our opinion:

- (a) the financial statements set out on pages FS1 to FS18 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 31 May 2012 and the results, changes in funds and cash flows of the Company for the year ended 31 May 2012 in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards; 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 has, on the date of this statement, authorised these financial statements for issue.

On behalf of the Board of Directors



Name JOSE ISIDRO NAVATO CAMACHO
Director



Name EE HOCK KIM GERARDI
Director

[5 November 2012]



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Independent auditors' report

Members of the Company
SymAsia Foundation Limited

Report on the financial statements

We have audited the accompanying financial statements of SymAsia Foundation Limited (the Company), which comprise the balance sheet as at 31 May 2012, the statement of comprehensive income, statement of changes in funds and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages FS1 to FS18.

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) the Singapore Charities Act, Chapter 37 (the Charities 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation 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 financial statements are properly drawn up in accordance with the provisions of the Act, the Charities Act and Singapore Financial Reporting Standards to give a true and fair view of the state of affairs of the Company as at 31 May 2012 and the results, changes in funds and cash flows of the Company for the 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.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the use of donation moneys was not in accordance with the objectives of the Company as required under regulation 16 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of regulation 15 (fund-raising expenses) of the Charities (Institutions of a Public Character) Regulations.

KPMG LLP

KPMG LLP
Public Accountants and
Certified Public Accountants

Singapore
5 November 2012

Balance sheet
As at 31 May 2012

	Note	2012 \$	2011 \$
Current assets			
Available-for-sale financial assets	3	14,755,607	9,028,200
Other receivables	4	16,677	9,025
Cash and cash equivalents	5	5,616,027	912,384
Derivative financial instruments	6	168,322	—
		<u>20,556,633</u>	<u>9,949,609</u>
Total assets		<u>20,556,633</u>	<u>9,949,609</u>
Funds			
General fund		—	—
Restricted funds	7	<u>20,539,956</u>	<u>9,941,185</u>
Total funds		<u>20,539,956</u>	<u>9,941,185</u>
Current liabilities			
Other payables and accruals	8	<u>16,677</u>	<u>8,424</u>
Total liabilities		<u>16,677</u>	<u>8,424</u>
Total funds and liabilities		<u>20,556,633</u>	<u>9,949,609</u>

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

Statement of comprehensive income
Year ended 31 May 2012

	Note	General Fund \$	-----Restricted funds----- Non-IPC Fund \$	IPC Fund \$	Fair Value Reserve \$	2012 Total \$
Incoming resources						
<i>Incoming resources from generated fund</i>						
Voluntary income						
- Donations		-	3,686,770	7,854,500	-	11,541,270
Investment income		-	1,910	2,541	-	4,451
<i>Other incoming resources</i>						
Other income						
- Net gains on disposal of available-for-sale financial assets		-	-	5,968	-	5,968
- Net gains from derivative financial instruments		-	-	260,414	-	260,414
- Others		16,677	-	-	-	16,677
Total Other Income		16,677	-	266,382	-	283,059
Total incoming resources		16,677	3,688,680	8,123,423	-	11,828,780
Resources expended						
<i>Charitable activities</i>						
Grant disbursements		-	830,479	1,141,230	-	1,971,709
Total charitable activities		-	830,479	1,141,230	-	1,971,709
<i>Governance costs</i>						
Professional fees		16,677	-	-	-	16,677
Bank charges		-	-	-	-	-
Total governance cost		16,677	-	-	-	16,677
Total resources expended		16,677	830,479	1,141,230	-	1,988,386
Net incoming resources for the year, before income tax expense		-	2,858,201	6,982,193	-	9,840,394
Income tax expense	9	-	-	-	-	-
Net incoming resources for the year		-	2,858,201	6,982,193	-	9,840,394
Other comprehensive income,						
Net change in fair value of available-for-sale financial assets		-	-	-	761,887	761,887
Net change in fair value of available-for-sale financial assets transferred to profit or loss		-	-	-	(3,510)	(3,510)

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

SymAsia Foundation Limited
Financial statements
Year ended 31 May 2012

	Note	-----Restricted funds-----			2012 Total \$
		General Fund \$	Non-IPC Fund \$	IPC Fund \$	Fair Value Reserve \$
Other comprehensive income for the year net of income tax		-	-	-	758,377
Total comprehensive income for the year		-	2,858,201	6,982,193	758,377
					10,598,771

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

Statement of comprehensive income
Year ended 31 May 2011

	-----Restricted funds-----				
	General Fund	Non-IPC Fund	IPC Fund	Fair Value Reserve	2011 Total
	\$	\$	\$	\$	\$
Incoming resources					
<i>Incoming resources from generated fund</i>					
Voluntary income					
- Donations	-	500,000	11,000,000	-	11,500,000
Investment income	-	-	604	-	604
<i>Other incoming resources</i>					
Other income					
- Net gains on disposal of available-for-sale assets	-	-	9,100	-	9,100
- Others	8,424	-	-	-	8,424
Total Other Income	8,424	-	9,100	-	17,524
Total incoming resources	8,424	500,000	11,009,704	-	11,518,128
Resources expended					
<i>Charitable activities</i>					
Grant disbursements	-	5,000	1,568,468	-	1,573,468
Total charitable activities	-	5,000	1,568,468	-	1,573,468
<i>Governance costs</i>					
Professional fees	8,424	-	-	-	8,424
Bank charges	-	-	52	-	52
Total governance cost	8,424	-	52	-	8,476
Total resources expended	8,424	5,000	1,568,520	-	1,581,944
Net incoming resources for the year, before income tax expense	-	495,000	9,441,184	-	9,936,184
Income tax expense	-	-	-	-	-
Net incoming resources for the year	-	495,000	9,441,184	-	9,936,184
Other comprehensive income,					
Net change in fair value of available-for-sale financial assets	-	-	-	5,001	5,001
Other comprehensive income for the year net of income tax	-	-	-	5,001	5,001
Total comprehensive income for the year	-	495,000	9,441,184	5,001	9,941,185

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

Statement of changes in funds
Year ended 31 May 2012

	----- Restricted Funds -----				
	General Fund	Non-IPC Fund	IPC Fund	Fair Value Reserve	Total
	\$	\$	\$	\$	\$
At 1 June 2010 (date of incorporation)	—	—	—	—	—
Total comprehensive income for the year					
Net (outgoing)/incoming resources/Net (loss)/income for the year	—	495,000	9,441,184		9,936,184
Other comprehensive income				5,001	5,001
At 31 May 2011	—	495,000	9,441,184	5,001	9,941,185
Total comprehensive income for the year					
Net (outgoing)/incoming resources/Net (loss)/income for the year	—	2,858,201	6,982,193	-	9,840,394
Other comprehensive income	—	—	—	758,377	758,377
At 31 May 2012	—	3,353,201	16,423,377	763,378	20,539,956

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

Statement of cash flows
Year ended 31 May 2012

	Note	2012 \$	2011 \$
Operating activities			
Net incoming resources before income tax expense		9,840,394	9,936,184
Adjustments for:			
Net gain on disposal of available-for-sale financial assets		(5,968)	(9,100)
Net gain from derivative financial instruments		(260,414)	-
Interest income from fixed deposits		(2,615)	-
Dividend Income		(1,836)	(601)
		<u>9,569,561</u>	<u>9,926,483</u>
Changes in working capital:			
Other receivables		(7,652)	(9,025)
Other payables and accruals		8,253	8,424
Cash flows from operating activities		<u>9,570,162</u>	<u>9,925,882</u>
Investing activities			
Purchase of available-for-sale financial assets		(23,363,062)	(19,054,908)
Proceeds from sale of available-for-sale financial assets		18,400,000	10,040,809
Realised gain from derivative financial instruments		92,092	-
Interest received from fixed deposits		2,615	-
Dividend income received		1,836	601
Cash flows used in investing activities		<u>(4,866,519)</u>	<u>(9,013,498)</u>
Net increase in cash and cash equivalents		4,703,643	912,384
Cash and cash equivalents at beginning of year		912,384	-
Cash and cash equivalents at end of year	5	<u>5,616,027</u>	<u>912,384</u>

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

Notes to the Financial Statements

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on [dateofsigning].

1 Domicile and activities

SymAsia Foundation Limited (the Company) is a public company limited by guarantee, incorporated in the Republic of Singapore. The Company has its registered office at 1 Raffles Link #05-02, Singapore 039393. Under Article 7 of its Memorandum of Association, the member of the Company guarantee to contribute a sum not exceeding \$10 to the assets of the Company in the event of it being wound up.

The Company is registered as a charity under the Charities Act (Cap. 37). SymAsia Singapore Fund is an approved Institution of a Public Character (IPC) under the Charities Act.

The principal activities of the Company are to promote philanthropy in Asia by providing flexible and creative philanthropic opportunities and programmes to help donors meet their giving needs.

2 Summary of significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standards (FRS).

The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Singapore dollars which is the Company's functional currency.

The preparation of financial statements in conformity with FRS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The accounting policies set out below have been applied consistently by the Company to the period presented in these financial statements.

2.2 Foreign currency transactions

Transactions in foreign currencies are translated to the functional currency of the Company at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency at the exchange rate at their reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date on which the fair value was determined.

Foreign currency differences arising on retranslation are recognised in the profit or loss except for differences arising on the retranslation of available-for-sale equity instruments, a financial liability designated as a hedge of the net investment in a foreign operation that is effective or qualifying cash flow hedges, which are recognised in other comprehensive income.

2.3 Changes in accounting policies

Amendments to FRS 24 Related Party Disclosures

From 1 June 2011, the Company has applied the revised FRS 24 *Related Party Disclosures* to identify parties that are related to the Company and to determine the disclosures to be made on transactions and outstanding balances, including commitments, between the Company and its related parties. FRS 24 improved the definition of a related party in order to eliminate inconsistencies and ensure symmetrical identification of relationships between two parties.

The adoption of the amended FRS 24 did not result in additional parties being identified as related to the Company. Transactions and outstanding balances with related parties for the current and comparative years have been disclosed accordingly in notes 10 to the financial statements.

Amendments to FRS 107 Financial Instruments: Disclosures

From 1 June 2011, the Company has applied amendments to FRS 107 Financial Instruments that required enhanced disclosures about credit risk in respect of financial instruments.

The amendments clarified that the disclosure of amount that best represents the Company's maximum exposure to credit risk is only required if the carrying amount of a financial asset does not already reflect such exposure. Additional disclosures are required on the financial effect of collateral held as security and other credit enhancements in respect of a financial instrument.

The adoption of the amended FRS 107 affects only the disclosures made in the financial statements. There is no financial effect on the results and financial position of the Company for the current and previous financial years.

2.4 Financial instruments

Non-derivative financial assets

The Company initially recognises loans and receivables on the date that they are originated. All other financial assets are recognised initially on the trade date, which is the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred. Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

The Company classifies non-derivative financial assets into the following categories: loans and receivables and available-for-sale financial assets.

Loans and receivables

Loans and receivables are financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less any impairment losses.

Loans and receivables comprise cash and cash equivalents, and other receivables.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial assets that are designated as available for sale or are not classified in any of the above categories of financial assets. Subsequent to initial recognition, they are measured at fair value and changes therein, other than impairment losses and foreign currency differences on available-for-sale debt instruments are recognized in other comprehensive income and presented in the fair value reserve in equity. When an investment is derecognized, the gain or loss accumulated in equity is reclassified to profit or loss.

Non-derivative financial liabilities

The Company initially recognises financial liabilities on the date that the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or expire.

Financial assets and liabilities are offset and the net amount represented in the statement of financial position when, and only when, the Company has a legal right to offset the amounts and intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

The Company classifies non-derivative financial liabilities into the other financial liabilities category. Such financial liabilities are recognised initially at fair value plus directly attributable transaction costs. Subsequent to initial recognition, these financial liabilities are measured at amortised cost using the effective interest method.

Financial liabilities comprise payables and accruals.

Impairment of financial assets

A financial asset not carried at fair value through profit or loss is assessed at the end of each reporting period to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the assets, and that the loss event has a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

Objective evidence that financial assets, (including equity securities) are impaired can include default or delinquency by a debtor, restructuring of an amount due to the Company on terms that the Company would not consider otherwise, indications that a debtor or issuer will enter bankruptcy, adverse changes in the payment status of borrowers or issuers in the Company economic conditions that correlate with defaults or the disappearance of an active market for a security. In addition, for an investment in an equity security, a significant or prolonged decline in its fair value below its cost is objective evidence of impairment.

Loans and receivables

The Company considers evidence of impairment for loans and receivables at both a specific asset and collective level. All individually significant loans and receivables are assessed for specific impairment. All individually significant receivables found not to be specifically impaired are then collectively assessed for any impairment that has been incurred by not yet identified. Loans and receivables that are not individually significant are collectively assessed for impairment by grouping together loans and receivables with similar risk characteristics.

An impairment loss in respect of a financial assets measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows, discounted at the asset's original effective interest rate. Losses are recognised in profit or loss and reflected in an allowance account against loans and receivables. Interest on the impaired assets continues to be recognised. When a subsequent event (e.g. repayment by a debtor) causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

Available-for-sale financial assets

Impairment losses on available-for sale financial assets are recognised by reclassifying the losses accumulated in the fair value reserve in equity to profit or loss. The cumulative loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any principal repayment and amortisation, and the current fair value, less any impairment loss recognised previously in profit or loss. Changes in impairment provisions attributable to application of the effective interest method are reflected as a component of interest income. If, in a subsequent period, the fair value of an impaired available-for-sale debt security increases and the increase can be related objectively to an event occurring after the impairment loss was recognised in profit or loss, then the impairment loss is reversed. The amount of the reversal recognised in profit or loss. However, any subsequent recovery in the fair value of an impaired available-for-sale equity security is recognised in other comprehensive income.

2.5 Derivatives financial instruments

Off-balance sheet derivative financial instruments arise from futures, forward, swap and option transactions undertaken by the Company in the foreign exchange, interest rate, equity, credit and commodities derivative markets.

Derivative financial instruments are recognised initially at fair value on the date on which the derivatives are entered into. Subsequent to initial recognition, the derivative financial instruments are re-measured at fair value. The gain or loss on re-measurement to fair value is recognised immediately in profit or loss.

Assets including gains, resulting from off-balance-sheet financial instruments which are marked-to-market are included in "Assets: Derivatives financial instruments". Liabilities, including losses, resulting from such contracts, are included in "Liabilities: Derivatives financial instruments".

2.6 Funds

General Fund

Income and expenditure relating to the main activities of the Company are accounted for through the General Fund in the statement of comprehensive income.

Restricted Funds

Income and expenditure relating to funds set up for contributions received and expenditure incurred for specific purposes are accounted for through the Restricted Fund in the Statement of Comprehensive Income.

The assets and liabilities of these funds are accounted for separately. However, for presentation purposes, they are pooled together with those of the General Fund.

2.7 Donations

Donations are recognised as and when the Company's entitlement to such income is established with no significant uncertainty and amount can be measured with sufficient reliability, which is generally upon receipt of the amount due in full or by instalments.

2.8 Resources expended

All expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to that activity. Where costs cannot be wholly attributed to an activity they have been apportioned on a basis consistent with the use of resources. These include overheads like utilities, amortisation of renovations and support costs.

(i) *Charitable activities*

Costs of charitable activities comprise all costs incurred in the pursuit of the charitable objects of the charity that is to award grants to charitable organisations. Grants that are awarded to charitable organisations which have IPC status are applied from the IPC fund.

(ii) *Governance costs*

Governance costs comprise all costs attributable to the general running of the Company, in providing the governance infrastructure and in ensuring public accountability.

3 Available-for-sale financial assets

	2012 \$	2011 \$
Debt securities	—	8,998,200
Quoted equities	32,400	30,000
Others	14,723,207	—
	<u>14,755,607</u>	<u>9,028,200</u>
 Movement:		
At beginning of the year	9,028,200	—
Additions	23,363,062	19,054,908
Disposals	(18,400,000)	(10,040,809)
Fair value changes	764,345	14,101
At end of year	<u>14,755,607</u>	<u>9,028,200</u>
Other investments represent investments in mutual funds.		

4 Other receivables

	2012 \$	2011 \$
Dividend receivables	–	601
Other receivables	16,677	8,424
	<u>16,677</u>	<u>9,025</u>

The above receivables are neither past due nor impaired.

5 Cash and cash equivalents

	2012 \$	2011 \$
Cash at bank	1,232,304	912,384
Fixed deposits	4,383,723	–
	<u>5,616,027</u>	<u>912,384</u>

The effective interest rates of fixed deposits range from 0.01% to 0.29% per annum (2011: Nil) and mature within 7 days to 3 months. (2011: Nil)

6 Derivative Financial Instruments

The contractual or underlying principal amounts of the derivative financial instruments and their corresponding gross positive (derivative receivables) and negative (derivative payables) fair values at balance sheet date are analysed below.

	2012			2011		
	Notional Amount \$	Positive Fair Value \$	Negative Fair Value \$	Notional Amount \$	Positive Fair Value \$	Negative Fair Value \$
FX Swap	4,469,616	168,322	–	–	–	–
	<u>4,469,616</u>	<u>168,322</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>

7 Restricted funds

Restricted Funds comprise the following funds:

IPC funds

IPC funds specifically aim to channel donations to Institution(s) of a Public Character (IPC) within Singapore, as defined in the Charities Act (Chapter 37) in support of the following causes: humanitarian and social development; protection of nature and the environment; education; culture and the arts; health and sports. IPC funds are exclusively beneficial to the community in Singapore as a whole.

Non IPC fund

Non-IPC fund supports similar causes as IPC funds. However, the donations can be directed to Non-IPC organisations within Singapore as well as overseas.

Net assets/(liabilities) of the restricted funds

	Non-IPC Fund	IPC Funds	Fair Value Reserve#	Total
	\$	\$	\$	\$
Total Funds as at 31 May 2011	495,000	9,441,184	5,001	9,941,185
Represented by:				
Available-for-sale financial assets	-	9,023,199	5,001	9,028,200
Dividend receivables	-	601	-	601
Cash and cash equivalents	495,000	417,384	-	912,384
Net assets as at 31 May 2011	495,000	9,441,184	5,001	9,941,185
Total Funds as at 31 May 2012	3,353,201	16,423,377	763,378	20,539,956
Represented by:				
Available-for-sale financial assets	-	13,992,229	763,378	14,755,607
Derivative financial instrument	-	168,322	-	168,322
Dividend receivables	-	-	-	-
Cash and cash equivalents	3,353,201	2,262,826	-	5,616,027
Net Assets as at 31 May 2012	3,353,201	16,423,377	763,378	20,539,956

#Fair value reserve forms part of IPC fund. It represents the cumulative net change in the FV of AFS investments until the investment is derecognised.

8 Other payables and accruals

	2012	2011
	\$	\$
Accounting Charges	6,677	3,424
Audit Fees	10,000	5,000
	16,677	8,424

9 Income tax expense

The Company is an approved charitable institution under the Charities Act, Chapter 37 and an Institution of a Public Character under the Income Tax Act, Chapter 134.

No provision for tax has been made in the financial statements as the Company is exempt from income tax.

10 Tax deductible donations

During the year, the Company issued tax deductible receipts for donations totalling \$7,854,500. (2011:\$11,000,000)

11 Related parties

For the purpose of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

During the financial year, transactions with related party were as follows:

	2012	2011
	\$	\$
Transactions with Credit Suisse		
Operating expenses payable	16,677	8,424
	<u>16,677</u>	<u>8,424</u>

Support costs of the Company are paid by Credit Suisse AG, Singapore Branch and are not reimbursed thereafter.

12 Financial risk management

Overview

The main risks arising from the Company's financial instruments arise from credit, price, foreign currency, interest rate and liquidity risks. The Company's policies for managing each of these risks are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Company if a counter party to a financial instrument fails to meet its contractual obligations.

At the balance sheet date, the maximum exposure to credit risk is represented by the carrying amount of each financial asset in the balance sheet.

Fixed deposits and Cash and bank balances are placed with a related financial institution which is regulated.

Price risk

Price risk arises from uncertainty about the future prices of financial instruments invested by the Company. It represents the potential financial loss the Company might suffer through holding investments in the face of falling prices. It is the Company's policy to achieve an appropriate diversification in its investment portfolio in order to mitigate such risk. The Company's exposure to changes in prices relates primarily to the investment in equity securities, and mutual funds.

Sensitivity analysis

The Company's equity investment is listed on the Singapore Exchange. A 5% change in the prices of these securities would have changed the total comprehensive income for the year by approximately \$1,620 (2011: \$1,500). The analysis assumes that all other variables remain constant.

The Company does not hold any debt securities for the year 2012 (2011: \$8,998,200). A 5% change in the prices of the debt securities as at 31 May 2012 would have increased or decreased the total comprehensive income for the year by approximately \$0. (2011: \$449,910).

The Company's investment in mutual funds represents 99.8% (2011: Nil) of the Company's total investments. A 5% change in the prices of these funds would have changed the total comprehensive income for the year by approximately \$736,160 (2011: Nil). The analysis assumes that all other variables remain constant.

Foreign currency risk

The Company is exposed to foreign currency risk on investments that are denominated in US dollars. There is no formal hedging policy with respect to foreign currency risk exposure. Management review the investment portfolio periodically to ensure that the net exposure is kept at an acceptable level.

The Company has \$14,723,207 of US dollar investments (2011: Nil) which is 99.8% (2011: Nil) of the Company's total investments.

Sensitivity analysis

A 10% strengthening or weakening of US dollar against Singapore dollar at reporting date would increase/(decrease) surplus for the year by approximately \$1,472,321. The analysis assumes other variables remain constant.

Interest rate risk

The Company's exposure to market risk for changes in interest rates relates primarily to the Company's interest-earning bank balances and fixed rate quoted fixed deposits.

There is no formal hedging policy with respect to interest rate exposure. Exposure to interest rate risk is monitored on an ongoing basis and the Company endeavours to keep the net exposure at an acceptable level.

A change of 100 basis points in interest rates at the reporting date would have increased (decreased) profit or loss and total comprehensive income by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2011.

	Profit or loss		Total Comprehensive Income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
2012				
Debt securities	-	-	-	-
Fixed deposits with financial institutions	5,230	(5,230)	-	-
Cash flow sensitivity (net)	5,230	(5,230)	-	-

	Profit or loss		Total Comprehensive Income	
	100 bp increase	100 bp decrease	100 bp increase	100 bp decrease
2011				
Debt securities	-	-	(5,313)	6,184
Fixed deposits with financial institutions	-	-	-	-
Cash flow sensitivity (net)	-	-	(5,313)	6,184

Liquidity risk

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

At the balance sheet date, the contractual cash flows of the Company's financial liabilities approximate the carrying values and they are expected to be settled within the next twelve months.

Fair values

The fair values of financial assets and liabilities, together with the carrying amounts shown in the balance sheet, are as follows:

2012	Available-for-sale	Loans and receivables	At fair value	Other financial liabilities	Total carrying amount	Fair value
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	-	5,616,027	-	-	5,616,027	5,616,027
Available-for-sale financial assets	14,755,607	-	-	-	14,755,607	14,755,607
Derivative financial instruments	-	-	168,322	-	168,322	168,322
Other Receivables	-	16,677	-	-	16,677	16,677
	14,755,607	5,632,704	168,322	-	20,556,633	20,556,633
Other payable and accruals	-	-	-	16,677	16,677	16,677

2011	Available- for-sale	Loans and receivables	At fair value	Other financial liabilities	Total carrying amount	Fair value
	\$	\$	\$	\$	\$	\$
Cash and cash equivalents	-	912,384	-	-	912,384	912,384
Available-for-sale financial assets	9,028,200	-	-	-	9,028,200	9,028,200
Other Receivables	-	9,025	-	-	9,025	9,025
	<u>9,028,200</u>	<u>921,409</u>	<u>-</u>	<u>-</u>	<u>9,949,609</u>	<u>9,949,609</u>
Other payable and accruals	-	-	-	8,424	8,424	8,424

Fair value hierarchy

The table below analyses financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2: 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);
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

	Level 1 \$	Level 2 \$	Level 3 \$	Total \$
31 May 2012				
Available-for-sale financial assets	<u>32,400</u>	<u>-</u>	<u>14,723,207</u>	<u>14,755,607</u>
31 May 2011				
Available-for-sale financial assets	<u>9,028,200</u>	<u>-</u>	<u>-</u>	<u>9,028,200</u>

There has been no transfer between Level 1 and Level 2 in 2012 (2011: NIL).

The following table shows a reconciliation from the beginning balances to the ending balances for fair value measurements in Level 3 of the fair value hierarchy:

	Available -for-sale financial assets \$	Total \$
Balance at 1 June 2011	-	-
Total gains or losses in other comprehensive income	761,887	761,887
Purchases	13,961,320	13,961,320
Sales		
Transfers into Level 3	-	-
Transfers out of Level 3	-	-
Balance at 31 May 2012	<u>14,723,207</u>	<u>14,723,207</u>

Reserves management

The reserves of the company comprise of the general fund and restricted funds. Disbursement and usage of restricted funds are restricted to the specific charitable purposes specified by donors. The company aims to safeguard these funds through conservative investments and operating policies.

There were no changes in the Company's approach to reserves management during the year. The Company is not subjected to externally imposed reserves requirements.

13 New accounting standards and interpretations not yet adopted

New standards, amendments to standards and interpretations that are not yet effective for annual periods beginning after 1 June 2011, have not been applied in preparing these financial statements. None of these is expected to have a significant impact on the financial statements. The Company has not assessed the impact of accounting standards issued after the balance sheet date.