SOCIAL CREATIVES LTD.
[UEN: 200813216C]
[A company limited by guarantee and not having share capital]
[Incorporated in the Republic of Singapore]

AUDITED FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2013

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SOCIAL CREATIVES LTD.
[UEN:200813216C]
(Incorporated in Singapore)

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of Social Creatives Ltd. ("the Company") for the financial year ended 30 June 2013.

DIRECTORS

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

Colin Goh	
Faris B Abdulkadir Basharahil	
George Kypraios	(Appointed on 04 March 2013)
Shaw Chai Li	(Appointed on 04 March 2013)
Soen How Gee Jennifer	

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

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

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous 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.

OTHER MATTERS

As the company is limited by guarantee and has no share capital, matters relating to interest in shares, debentures or share options are not applicable.

AUDITORS

The auditors, Messrs Suhaimi Salleh & Associates, Public Accountants & Chartered Accountants, Singapore have expressed their willingness to accept re-appointment.

On behalf of the Directors

Shaw Chai Li
Director

Colin Goh
Director

Singapore, 0 3 DEC 2013

SOCIAL CREATIVES LTD.
[UEN:200813216C]
(Incorporated in Singapore)

STATEMENT BY DIRECTORS

In the opinion of the directors,

a) the financial statements as set out on pages 6 to 28 are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2013, and of the results of the business, changes in funds and cash flows of the Company for the financial year then ended; and

b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors authorised these financial statements for issue on 03 DEC 2013

On behalf of the directors,

Shaw Chai Li
Director

Colin Goh
Director

Singapore, 03 DEC 2013

REPORT OF THE AUDITORS TO THE MEMBERS OF

SOCIAL CREATIVES LTD.
[UEN:200813216C]
(Incorporated in Singapore)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of **Social Creatives Ltd.** (the "Company") set out on pages 6 to 28, which comprise the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in funds and statement of cash flows of the Company for the 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, Cap. 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 profit and loss account and balance sheet 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 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.

REPORT OF THE AUDITORS TO THE MEMBERS OF

SOCIAL CREATIVES LTD.
[UEN:200813216C]
(Incorporated in Singapore)

Opinion

In our opinion, the financial statements of the Company 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 30 June 2013, and the results, changes in funds and cash flows of the Company for the financial 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 the 30% cap mentioned in Regulation 15(1) of the Charities Act, Cap. 37 (Institutions of a Public Character) Regulations 2007 and as amended by Charities (Institutions of a Public Character) (Amendments) Regulations 2008; has been exceeded.

During the course of our audit, nothing has come to our attention that donation moneys are used for disbursements other than those in accordance with the activities of the Company.

SUHAIMI SALLEH & ASSOCIATES
Public Accountants &
Chartered Accountants of Singapore

Singapore, 0 3 DEC 2013

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Incorporated In Singapore)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2013

	Note	2013 S$	2012 S$
ASSETS			
CURRENT ASSETS			
Cash at bank	4	**12,592**	0
Receivables and deposits	5	**16,150**	27,255
Inventory	6	**7,200**	247,668
		35,942	274,923
NON-CURRENT ASSET			
Property, plant and equipment	7	**1,013**	2,126
Total assets		**36,955**	277,049
CURRENT LIABILITIES			
Bank overdraft	4	**0**	1,879
Payables and accruals	8	**36,705**	70,598
		36,705	72,477
Total liabilities		**36,705**	72,477
Net assets		**250**	204,572
EQUITY			
Accumulated fund	9	**250**	204,572

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

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Incorporated In Singapore)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 S$	2012 S$
INCOME	10	**312,637**	838,574
PRODUCTION EXPENSES	11	**(194,613)**	(157,465)
ADMINISTRATIVE EXPENSES	12	**(321,992)**	(527,445)
PUBLICITY AND MARKETING		**(354)**	(3,366)
(DEFICIT)/SURPLUS FROM OPERATION		**(204,322)**	150,298
FINANCE COSTS		**0**	(265)
(DEFICIT)/SURPLUS BEFORE TAX		**(204,322)**	150,033
INCOME TAX EXPENSE	13	**0**	0
(DEFICIT)/SURPLUS FOR THE YEAR		**(204,322)**	150,033
OTHER COMPREHENSIVE INCOME FOR THE YEAR		**0**	0
TOTAL COMPREHENSIVE (LOSS)/INCOME FOR THE YEAR		**(204,322)**	150,033

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

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Incorporated In Singapore)

STATEMENT OF CHANGES IN FUNDS
FOR THE YEAR ENDED 30 JUNE 2013

	Note	Unrestricted General Fund S$	Total Accumulated Funds S$
2013			
Balance at 1 July 2013		**204,572**	**204,572**
Total comprehensive (loss)		**(204,322)**	**(204,322)**
Balance at 30 June 2013	**9**	**250**	**250**

		Unrestricted General Fund S$	Total Accumulated Funds S$
2012			
Balance at 1 July 2012		54,539	54,539
Total comprehensive income		150,033	150,033
Balance at 30 June 2012	9	204,572	204,572

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

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2013

	Notes	2013 S$	2012 S$
CASH FLOWS FROM OPERATING ACTIVITIES			
Total comprehensive (loss)/income		**(204,322)**	150,033
Adjustments for:			
Allowance for inventory obsolescence		**0**	13,035
Depreciation on property, plant and equipment	7	**1,113**	1,211
Donated paint materials inventory		**0**	(210,120)
Inventory written off	6	**240,468**	0
Paint materials used		**0**	33,722
Operating surplus/ (deficit) before working capital changes		**37,259**	(12,119)
Changes in working capital:			
Receivables and deposits		**11,105**	(26,255)
Payables and accruals		**(33,893)**	(1,560)
Net cash provided by/ (used in) operating activities		**14,471**	(39,934)
Net increase/(decrease) in cash and cash equivalents		**14,471**	(39,934)
Cash and cash equivalents at beginning of financial year		**(1,879)**	38,055
Cash and cash equivalents at end of financial year	4	**12,592**	(1,879)
Cash and cash equivalents comprise:			
Cash at bank		**12,592**	0
Bank overdraft		**0**	(1,879)
	4	**12,592**	(1,879)

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

1. GENERAL INFORMATION

Social Creatives Ltd. ('The Company") is incorporated and domiciled in Singapore. The address of its registered office is 15 Hoe Chiang Road, #26-01 Tower Fifteen, Singapore 089316.

The Company is limited by guarantee and does not have a share capital. The members of the Company guarantee to contribute a sum not more than S$1 each to the assets of the Company in the event of winding up.

The Company was registered as a charity under the Charities Act, Cap. 37 since 05 December 2008. It is granted an Institution of Public Character ("IPC") status from 01 May 2012 to 30 April 2014.

The objectives of the Company are as follows:

- To promote artistic expression and carry out research in the field of visual and performing art;
- To support youth development and the organising of activities, events or projects to assist in youth development;
- To conduct and support lectures, activities, events, workshops, symposia and conferences for the purpose of promoting art, environment or youth issues;
- To promote the local music scene;
- To promote an improved public understanding of social, youth and environmental issues;
- To promote a sense of ownership and a sense of connection among the public to the environment, country, society and community;
- To promote and support the organising of projects by informal youth groups;
- To promote integration of community projects between different themes and nature which will hence, promote innovation and creativity in community and social service; and
- To publish or distribute information relevant to its objectives.

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements have been prepared in accordance with Singapore Financial Reporting Standard ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

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

Interpretations and amendments to published standards effective in 2012

The Company has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Company's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Company:

FRS	Effective date	Title
FRS 1	1.1.2009	Presentation of financial statements
FRS 7	1.1.2009	Cash flow statements
FRS 8	1.1.2009	Accounting policies, changes in accounting estimates and errors
FRS 10	1.1.2007	Events after the balance sheet date
FRS 17	1.1.2007	Leases
FRS 18	1.1.2005	Revenue
FRS 19	1.1.2009	Employee benefits
FRS 24	1.1.2011	Related party disclosures
FRS 32	1.2.2007	Financial instruments: Presentation
FRS 32	1.2.2009	Financial instruments: Presentation (Amendments)
FRS 36	1.1.2009	Impairment of assets
FRS 37	1.1.2006	Provisions, contingent liabilities and contingent assets
FRS 39	1.1.2005	Financial instruments: Recognition and measurement
FRS 107	1.1.2009	Financial instruments: Disclosures

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Income recognition

Income comprises the fair value of the consideration received or receivable for the services rendered in the ordinary course of the Company's activities. Income is recognised as follows:

2.2.1 Donations

Donations are recognised and accrued as and when they are committed. Uncommitted donations, income from charity events are recognised on receipt basis. Donations-in-kind are recognised when the fair value of the assets received can be reasonably ascertained.

2.2.2 Fees received form events /activities

Fee income is recognised when the related services have been rendered.

2.2.3 Sale of artworks

Income from the sale of artworks is recognized when the Company has delivered the products to the customers, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

2.2.4 Interest income

Interest income is recognised on a time-proportion basis using the effective interest method.

2.2.5 Grants/ contributions

Grants/ contributions from the Government or non-profit organisations are recognised as receivable at their fair value where there is a reasonable assurance that the grants/ contributions will be received and the Company will comply with all the attached conditions.

2.3 Expenditures

Expenditures are recognised in the statement of comprehensive income once the goods or services have been delivered or rendered. Expenditure on performance-related grants are recognised to the extent the specified service or goods have been provided.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.4 Property, plant and equipment

2.4.1 Measurement

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

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

2.4.2 Depreciation

Depreciation on property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows:

	Useful Lives
Furniture & fittings	2 years
Office equipment	5 years

The residual value and useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each statement of financial position date. The effects of any revision are included in the profit or loss when the changes arise.

2.4.3 Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Society and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in profit or loss when incurred.

2.4.4 Disposal

On disposal of an item of property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognized in profit or loss. Any amount in revaluation reserve relating to that asset is transferred to retained profits directly.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.5 Impairment of non-financial assets

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

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

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognized in the statement of comprehensive income.

An impairment loss for an asset is reversed if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognized. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of depreciation) had no impairment loss been recognized for the asset in prior years. A reversal of impairment loss for an asset is recognized in the statement of comprehensive income.

2.6 Financial assets

2.6.1 Classification

The Company classifies its financial assets in the following categories: loans and receivables. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except those maturing later than 12 months after the statement of financial position date, which are classified as non-current assets. Loans and receivables are classified within "trade and other receivables" and "cash and cash equivalents" on the statement of financial position.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.2 Recognition and de-recognition

Usual purchases and sales of financial assets are recognized on trade-date – the date on which the Company commits to purchase or sell the asset.

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all risks and rewards of ownership. On disposal sale of a financial asset, the difference between the net sale proceeds and its carrying amount is taken to the statement of comprehensive income. Any amount in the fair value reserve relating to that asset is also taken to the statement of comprehensive income.

2.6.3 Initial Measurement

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

2.6.4 Subsequent measurement

Financial assets, at fair value through profit or loss are subsequently carried at fair value. Loans and receivables are carried at amortised cost using the effective interest method.

Changes in the fair value of financial assets at fair value through profit or loss including the effects of interest and dividends are recognised in profit or loss when the changes arise.

2.6.5 Impairment

The Company assesses at each statement of financial position date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy or financial reorganisation, and default or delinquency in payments are considered indicators that the receivable is impaired.

2. Significant accounting policies (Cont'd)

2.6 Financial assets (Cont'd)

2.6.5 Impairment (Cont'd)

An allowance for impairment of loans and receivables including trade and other receivables is recognised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables.

The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the amount becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

The allowance for impairment loss account is reduced through profit or loss in a subsequent period when the amount of impairment losses decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

2.7 Financial liabilities

Financial liabilities are recognised as soon as there is a present legal or constructive obligation to the expenditure. Liabilities arise when there is a present obligation to make a transfer of value to another party as a result of past transaction or event.

2.8 Payables

Payables represent liabilities for goods and services provided to the Company prior to the end of the financial year, which are unpaid. They are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business, if longer). Otherwise, they are presented as non-current liabilities.

Payables are initially recognized at fair value, and subsequently carried at amortised cost using the effective interest method.

2.9 Foreign currency translation

Transactions denominated in a currency other than Singapore Dollar ('foreign currency") are translated into Singapore Dollar using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at the closing rate at the statement of financial position date of monetary assets and liabilities denominated in foreign currencies are recognized in the statement of comprehensive income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.10 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of comprehensive income. Contingent rents are recognised as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2.11 Related parties

Related parties include all of the following:

(a) A person or a close member of that person's family is related to the Company if that person:

  (i) Has control or joint control over the Company;
  (ii) Has significant influence over the Company; or
  (iii) Is a governing board member, trustee or member of the key management personnel of the Company or of a parent of the Company;

(b) An entity is related to the Company if any of the following conditions applies:

  (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  (ii) The entity is an associate or joint venture of the Company (or an associate or joint venture of a member of a group of which the Company is a member) and vice versa;
  (iii) The entity and the Company are joint ventures of the same third party;
  (iv) The entity is a joint venture of a third entity and the Company is an associate of the third entity and vice versa;
  (v) The entity is controlled or jointly controlled by a person identified in (a); and
  (vi) A person identified in (a)(i) has significant influence over the entity or is a governing board member, trustee or member of the key management personnel of the entity (or of a parent of the entity).

2.12 Provision for liabilities and charges

Provisions are recognised only when a present obligation (legal or constructive) exists as a result of a past event, it is probable that a transfer of economic benefits in settlement will be required, and the amount of the obligation can be estimated reliably. The amount of provision recognised is the best estimate of the expenditure required to settle the obligation at the reporting date. The best estimate of the expenditure required to settle the obligation is the amount that would rationally be paid to settle the obligation at the reporting date or to transfer it to a third party.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.13 Contingencies

Contingent liabilities are not recognised in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. A contingent asset is not recognised in the financial statements but disclosed when an inflow of economic benefit is probable.

2.14 Operating lease

Leases of assets in which a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are taken to the statement of comprehensive income on a straight-line basis over the period of the lease. When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognized as an expense in the period in which termination takes place.

Rental on operating lease is charged to statement of comprehensive income. Contingent rents are recognized as an expense in the statement of comprehensive income in the financial year in which they are incurred.

2.15 Cash and cash equivalents

Cash and cash equivalents include cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value.

2.16 Inventories

Donated inventories are valued at its fair value at the time of receipt of donation. The first-in, first-out method is used to determine ending inventory value and the cost of inventories used in the Company's charitable activities.

2.17 Events after the reporting date

Post year-end events that provide additional information about the Company's position at the reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

3. Significant accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Critical judgments in applying the entity's accounting policies

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

Net realisable value and impairment of inventories

The Company writes down the cost of inventories whenever net realisable value of inventories becomes lower than cost due to damage, physical deterioration, obsolescence, changes in price levels or other causes. The lower of cost and net realisable value of inventories is reviewed on a monthly basis to reflect the accurate valuation in the financial records. Inventory items identified to be obsolete and unusable are also written off and charged as expense for the financial year.

The carrying values of inventories amounted to S$247,668 and S$7,200 as of 30 June 2013 and 2012, respectively. Allowance for inventory obsolescence as of 30 June 2012 was S$13,035. Based on management's assessment, inventory valued at S$240,468 was written off during the financial year.

Allowance for impairment of receivables

The Company reviews the adequacy of allowance for impairment of receivables at each closing by reference to the ageing analysis of receivables, and evaluates the risks of collection according to the credit standing and collection history of individual customer. If there are indications that the financial position of a customer has deteriorated resulting in an adverse assessment of his risk profile, an appropriate amount of allowance will be provided.

Estimated useful lives of property, plant and equipment

The Company reviews annually the estimated useful lives of property, plant and equipment based on factors such as business plans and strategies, expected level of usage and future technological developments. It is possible that future results of operations could be materially affected by changes in these estimates brought about by changes in the factors mentioned.

Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is any indication that the assets are impaired. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and value in use) of the assets is estimated to determine the impairment loss. The key assumptions for the value in use calculation are those regarding the growth rates, and expected change to selling price and direct costs during the year and a suitable discount rate.

4. CASH AND CASH EQUIVALENTS

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following at the end of the financial year:

	2013	2012
	S$	S$
Cash at bank	**12,592**	0
Bank overdraft	**0**	(1,879)
	12,592	(1,879)

In 2012, the bank overdraft was secured by the personal fixed deposit of a former board member who had since resigned prior to 30 June 2012. The bank overdraft bore interest based on the prevailing bank's prime rate plus 1.5% per annum. The bank overdraft facility ended in March 2013.

5. RECEIVABLES AND DEPOSITS

	2013	2012
	S$	S$
Receivables	**14,750**	26,900
Deposits	**0**	355
Accrued income	**1,400**	0
	16,150	27,255

The aging of the receivables at the date of the statement of financial position is as follows:

	2013	2012
	S$	S$
Current	**9,300**	19,300
31 to 60 days	**4,000**	7,600
61 to 90 days	**1,450**	0
	14,750	26,900

6. INVENTORY

	2013 S$	2012 S$
Donated paint materials	260,703	260,703
Less : Allowance for inventory obsolescence	(13,035)	(13,035)
	247,668	247,668
Less: Written off during the year	**(240,468)**	0
	7,200	247,668

7. PROPERTY, PLANT AND EQUIPMENT

	Office equipment S$	Furniture and fittings S$	Total S$
2013			
Cost			
Beginning of year	5,334	533	5,867
Additions	0	0	0
End of year	5,334	533	5,867
Accumulated depreciation & impairment loss			
Beginning of year	3,256	485	3,741
Depreciation charge	1,065	48	1,113
End of year	4,321	533	4,854
Net book value	1,013	0	1,013

	Office equipment S$	Furniture and fittings S$	Total S$
2012			
Cost			
Beginning of year	5,334	533	5,867
Additions	0	0	0
End of year	5,334	533	5,867
Accumulated depreciation & impairment loss			
Beginning of year	2,189	341	2,530
Depreciation charge	1,067	144	1,211
End of year	3,256	485	3,741
Net book value	2,078	48	2,126

8. PAYABLES AND ACCRUALS

	2013 S$	2012 S$
Other payables	**2,177**	6,000
Amount due to a director	**24,605**	57,605
Accruals	**9,923**	6,993
	36,705	70,598

Amount due to a director is unsecured, interest free and with no any fixed term of repayment.

9. EQUITY

Accumulated fund

The accumulated fund is expendable at the discretion of the board of directors in furtherance of the Company's objects.

10. INCOME

	2013 S$	2012 S$
Donation-in-kind:		
Donated office space	**0**	426,960
Donated paints	**0**	210,120
	0	637,080
Donations:		
Tax deductible	**44,550**	21,850
Non-tax deductible	**32,337**	38,110
	76,887	59,960
Income from events/activities		
Artwork sales	**27,020**	12,087
Events	**111,546**	55,914
Mural programmes	**59,776**	62,631
	198,342	130,632
Grants from:		
National Art Council	**7,000**	0
National Council of Social Service	**15,408**	0
Singapore International Foundation	**15,000**	8,000
	37,408	8,000
Other income	**0**	2,902
	312,637	838,574

11. PRODUCTION COSTS

	2013 S$	2012 S$
Fees paid to:		
Contracted staff	**110,026**	71,355
Facilitators	**0**	4,135
Flag Day expenses:		
Audit fee	**500**	0
Bank charges	**80**	0
Event Management	**1,415**	0
Printing and stationery	**50**	0
Paint materials:		
Donated paints	**0**	33,722
Purchased materials	**0**	2,094
Printing expenses	**0**	5,516
Production expenses	**78,727**	40,643
Rental of venue	**3,815**	0
	194,613	157,465

12. ADMINISTRATIVE EXPENSES

Included in administrative expenses are:

	2013 S$	2012 S$
Allowance for inventory obsolescence	**0**	13,035
Audit fees - last year	**0**	850
Audit fees - this year	**3,700**	3,700
Depreciation on property, plant and equipment	**1,113**	1,211
Director's fees	**36,000**	36,000
Honorarium to a director	**1,160**	0
Inventory written off	**240,468**	0
Rental of premises:		
Donated office space	**0**	426,960
Paid rental	**3,156**	19,103
Repair and maintenance	**8,449**	14,651

13. INCOME TAX

The Company is a charity registered under the Charities Act and is exempted from income tax under the provisions of Section 13 of the Income Tax Act Cap. 134.

14. FUND RAISING ACTIVITY

During the year, the Company carried out Flag Day collections to raise funds.

	2013 S$	2012 S$
Flag Day donations – non tax deductible	**7,317**	0
Less: Expenses		
Audit fees	**500**	0
Bank charges	**80**	0
Event management	**1,415**	0
Printing and stationery	**50**	0
	2,045	0
Net proceed	**5,272**	0

15. REMPLOYEES' REMUNERATION

None of the Company's employees were remunerated more than or equal to S$100,000 during the financial years ended 30 June 2013 and 2012.

16. RELATED PARTY TRANSACTIONS

a) Related party transactions

(I) Rental income from space rented out to a related party amounted to S$ 0 (2012: S$7,700).

(II) Reimbursements made to the Company's director cum chief executive for expenses paid on behalf of the Company amounted to S$5,254 (2012: S$9,606).

b) Compensation of key management personnel

During the year, the Company's director cum chief executive was paid director's fee of S$36,000 (2012: S$36,000) and S$1,160 as honorarium, respectively.

c) Remuneration paid to board of directors

Other than the remuneration paid to the Company's director cum chief executive as mentioned under paragraph 14(b) above, all other directors were not paid any remuneration during the years ended 30 June 2013 and 2012.

17. LOANS

During the year, there was no loan made to any employees, directors, related parties or third parties.

18. CAPITAL MANAGEMENT

The Company's objectives when managing capital, which remains unchanged from the previous year, are to safeguard the Company's ability to continue as a going concern and to maintain an optimal capital structure.

19. FINANCIAL RISK MANAGEMENT AND INSTRUMENTS

The Company's key financial risks include credit risk, liquidity risk, fair value and market risk. Risk management is carried out under policies approved by the Board of Directors.

This note presents information about the Company's exposure to each of the above risks and the Company's objectives, policies and processes for measuring and managing risks. Further quantitative disclosures are included throughout these financial statements.

Categories of financial instruments

Financial instruments as at 30 June are as follows:

	2013	2012
	S$	S$
Financial Assets		
Loans and receivables		
Cash at bank	**12,592**	0
Receivables and deposits	**16,150**	27,255
	28,742	27,255
Financial Liabilities		
Bank overdraft	**0**	1,879
Payables and accruals	**36,705**	70,598
	36,705	72,477

19. FINANCIAL RISK MANAGEMENT AND INSTRUMENTS (CONT'D)

(i) Credit risk

Credit risk is the potential financial loss resulting from the failure of a client or counterparty to settle their financial and contractual obligations to the Company, as and when they fall due.

The Company's exposure to credit risk arises primarily from cash and cash equivalents and receivables. Cash at bank are held with reputable financial institutions of good standing. The receivables presented in the statement of financial position are net of allowance for impairment of receivables, if any, estimated by the Company's management based on prior experience and the current economic environment.

The Company manages the credit risk by monitoring credit worthiness and collections from its customers. It ensures that customers have adequate financial standing and appropriate credit history. With this credit evaluation processes, credit control policies and collection procedures in place, the credit risk is mitigated substantially.

The maximum exposure to credit risk is as follows:

	2013	2012
	S$	S$
Financial Assets		
Loans and receivables		
Cash at bank	**12,592**	0
Receivables and deposits	**16,150**	27,255
	28,742	27,255

As at the financial year end, the Company's significant concentration of credit risk is disclosed in Note 5. The Board of Directors are of the opinion that the balances are recoverable.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages its liquidity risk by matching the payment and receipt cycle and maintaining a level of cash and cash equivalents deemed adequate by the management to finance its on-going financial liabilities on a regular basis.

19. FINANCIAL RISK MANAGEMENT AND INSTRUMENTS (CONT'D)

(ii) Liquidity risk (Cont'd)

The following table analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period from the date of statement of financial position to the contractual maturity date.

	Less than 1 year S$	Between 2 to 5 years S$	Total S$
2013			
Payables and accruals	36,705	0	36,705
2012			
Payables and accruals	70,598	0	70,598
Bank overdraft	1,879	0	1,879
	72,477	0	72,477

(iii) Fair value

As at 30 June 2013, the carrying amounts of all financial assets and liabilities approximated their fair values. The Company does not anticipate that the carrying amounts recorded at statement of financial position date would be significantly different from the values that would eventually be received or settled.

(iv) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates equity prices will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return of risk.

Foreign currency risk

The Company has no exposure to foreign currency risk as its transactions, assets and liabilities are substantially denominated in Singapore dollars.

Interest rate risk

The Company's exposure to changes in interest rates primarily to bank balance with financial institutions. Any future variations in market interest rates will not have a material impact on the results of the Company since interests on bank balances are not significant. The Company does not have any interest-bearing financial liabilities.

20. RESERVE POSITION AND POLICY

The Board of Directors is in the process of reviewing and incorporating a reserve policy for its surplus fund.

21. AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of the Company on 03 DEC 2013

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Incorporated In Singapore)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 S$	2012 S$
INCOME		
Donation in-kind:		
Donated office space	**0**	426,960
Donated paints	**0**	210,120
Donations:		
Tax deductible	**44,550**	21,850
Non-tax deductible	**32,337**	38,110
Income from events/activities		
Artwork sales	**27,020**	12,087
Events	**111,546**	55,914
Mural programmes	**59,776**	62,631
Grants from:		
National Art Council	**7,000**	0
National Council of Social Services	**15,408**	0
Singapore International Foundation	**15,000**	8,000
Other income	**0**	2,902
	312,637	838,574
LESS:		
PRODUCTION EXPENSES		
Fees paid to contract staff	**110,026**	71,355
Fees paid to facilitators	**0**	4,135
Flag Day expenses:		
Audit fees	**500**	0
Bank charges	**80**	0
Event management	**1,415**	0
Printing and stationery	**50**	0
Paint materials:		
Donated paints	**0**	33,722
Purchased materials	**0**	2,094
Printing expenses	**0**	5,516
Production expenses	**78,727**	40,643
Rental of venue	**3,815**	0
	194,613	157,465

SOCIAL CREATIVES LTD.
(UEN: 200813216C)
(Incorporated In Singapore)

DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2013

	2013 S$	2012 S$
LESS:		
ADMINISTRATIVE EXPENSES		
Accounting fees	**3,600**	2,600
Allowance for inventory obsolescence	**0**	13,035
Audit fees - last year	**0**	850
Audit fees - this year	**3,700**	3,700
Bank charges	**182**	106
Depreciation on property, plant and equipment	**1,113**	1,211
Director's fees	**36,000**	36,000
Honorarium to a director	**1,160**	0
Insurance expense	**0**	1,070
Inventory written off	**240,468**	0
Legal fee	**0**	202
Printing and stationery	**623**	200
Professional fees	**3,000**	0
Rental of premise:		
Donated office space	**0**	426,960
Paid rental	**3,157**	19,103
Repairs and maintenance	**8,449**	14,651
Secretarial fees	**1,134**	1,134
SG Gives portal charges	**189**	0
Staff amenities	**284**	935
Staff welfare and training	**0**	500
Telephone and internet expense	**1,061**	1,040
Training and seminar	**7,800**	0
Travelling and transportation	**9,880**	3,195
Utilities and conservancy charges	**192**	0
Volunteer allowance	**0**	953
	321,992	527,445
PUBLICITY AND MARKETING		
Publicity and marketing	**354**	3,366
TOTAL OPERATING EXPENSES	**516,959**	688,276
(DEFICIT)/SURPLUS FROM OPERATIONS	**(204,322)**	150,298
FINANCE COSTS		
Overdraft interest	**0**	265
(DEFICIT)/SURPLUS BEFORE TAX	**(204,322)**	150,033