

FINANCIAL STATEMENTS

For The Year Ended 30th JUNE 2011

SOCIAL CREATIVES LTD.

UEN: 200813216C



SUHAIMI SALLEH & ASSOCIATES
Certified Public Accountants

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SOCIAL CREATIVES LTD.
(Company limited by guarantee)

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

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SOCIAL CREATIVES LTD.
(Company limited by guarantee)

DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2011.

DIRECTORS

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

Khairilanwar Baharudin
Faris B Abdulkadir Basharahil
Soen How Gee Jennifer
Colin Goh
Phan Ming Yen
Keith David Budge

As the Company is a company limited by guarantee and not having a share capital, there are no matters to be disclosed under Section 201(6)(f) and 201(6)(g) of the Companies Act, Cap. 50.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than those disclosed as emoluments in the financial statements) 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 required to be disclosed by Section 201 (8) of the Singapore Companies Act, Cap. 50.

AUDITORS

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

On behalf of the board,



Colin Goh
Director



Faris B Abdulkadir Basharahil
Director

Singapore

31 DEC 2011

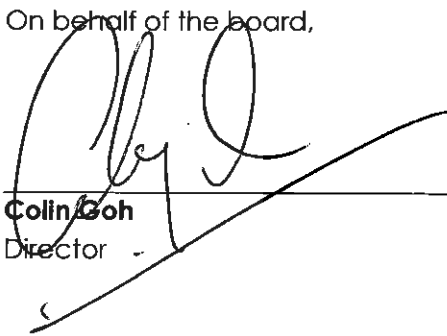
SOCIAL CREATIVES LTD.
(Company limited by guarantee)

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows together with the notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 June 2011, and of the results, changes in equity and cash flows of the Company for the year then ended.

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

On behalf of the board,



Colin Goh
Director



Faris B Abdulkadir Basharahil
Director

Singapore

31 DEC 2011



REPORT OF THE AUDITORS TO THE MEMBERS OF

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

Report on the Financial Statements

We have audited the accompanying financial statements of Social Creatives Ltd. ("the Company"), which comprise the statement of financial position as at 30 June 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

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



Suhaimi Salleh & Associates
Certified Public Accountants
UEN. S88PF0247L

REPORT OF THE AUDITORS TO THE MEMBERS OF

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give true and fair view of the state of affairs of the Company as at 30 June 2011 and of the results, changes in equity 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 has caused us to believe that during the year:

- (i) The donations and other receipts of the Company were not used for approved projects and the purposes intended; and
- (ii) The 30% cap mentioned under Regulation 15 of the Charities Act (Chapter 37), Charities (Institutions of a Public Character) Regulations 2007 has been exceeded.

SUHAIMI SALLEH & ASSOCIATES
Public Accountants &
Certified Public Accountants
Singapore

3 1 DEC 2011

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2011

	Notes	2011 S\$	(As Re- presented) 2010 S\$	(As Re- presented) 2009 S\$
ASSETS				
NON-CURRENT ASSET				
Property, plant and equipment	3	<u>3,337</u>	<u>3,449</u>	<u>1,108</u>
CURRENT ASSETS				
Accounts receivable		-	7,000	11,150
Inventory	4	84,305	-	-
Other receivables and deposit	5	1,000	-	7,184
Cash and cash equivalents	6	<u>38,055</u>	<u>3,038</u>	<u>-</u>
		<u>123,360</u>	<u>10,038</u>	<u>18,334</u>
TOTAL ASSETS		<u>126,697</u>	<u>13,487</u>	<u>19,442</u>
EQUITY AND LIABILITIES				
EQUITY				
Accumulated profit/(losses)		<u>54,539</u>	<u>(69,285)</u>	<u>(51,160)</u>
CURRENT LIABILITIES				
Accounts payable	7	65,245	70,841	27,008
Accruals		6,913	11,931	11,931
Deposits received		-	-	31,650
Bank overdraft		-	-	13
		<u>72,158</u>	<u>82,772</u>	<u>70,602</u>
TOTAL LIABILITIES		<u>72,158</u>	<u>82,772</u>	<u>70,602</u>
TOTAL EQUITY AND LIABILITIES		<u>126,697</u>	<u>13,487</u>	<u>19,442</u>

The accompanying notes form an integral part of these financial statements

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2011**

	Notes	2011 S\$	2010 S\$
INCOME	8	374,446	101,815
PRODUCTION EXPENSES	13	(182,426)	(55,933)
ADMINISTRATIVE EXPENSES	14	(65,196)	(64,007)
PUBLICITY AND MARKETING		(3,000)	-
SURPLUS/(DEFICIT) BEFORE TAX		123,824	(18,125)
INCOME TAX EXPENSE	11	-	-
SURPLUS/(DEFICIT) FOR THE YEAR		123,824	(18,125)
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		-	-
TOTAL COMPREHENSIVE SURPLUS/(DEFICIT) FOR THE YEAR, NET OF TAX		123,824	(18,125)

The accompanying notes form an integral part of these financial statements

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2011**

	Total S\$
Balance at 1 July 2009	(51,160)
Deficit for the year	(18,125)
Other comprehensive income for the year, net of tax	<u>-</u>
Balance at 30 June 2010	<u>(69,285)</u>
Balance at 1 July 2010	(69,285)
Surplus for the year	123,824
Other comprehensive income for the year, net of tax	<u>-</u>
Balance at 30 June 2011	<u>54,539</u>

The accompanying notes form an integral part of these financial statements

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2011

	Notes	2011 S\$	2010 S\$
CASH FLOWS FROM OPERATING ACTIVITIES			
Operating surplus/(deficit) before taxation		123,824	(18,125)
Adjustments for:			
Depreciation on property, plant and equipment	3	1,115	1,046
Donated paint materials inventory		(84,305)	<u>-</u>
Operating surplus/(deficit) before working capital changes		40,634	(17,079)
Changes in working capital:			
Decrease in operating receivables		6,000	11,334
(Decrease)/Increase in operating payables		(10,614)	<u>12,183</u>
Net cash flows generated from operating activities		36,020	6,438
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of property, plant and equipment	3	(1,003)	<u>(3,387)</u>
Net cash flows used in investing activities		(1,003)	(3,387)
CASH FLOWS FROM FINANCING ACTIVITIES			
Net increase in cash and cash equivalents		35,017	3,051
Cash and cash equivalents brought forward		3,038	<u>(13)</u>
Cash and cash equivalents carried forward	6	38,055	<u>3,038</u>
Cash and cash equivalents carried forward comprise:			
Cash at bank	6	38,055	<u>3,038</u>

The accompanying notes form an integral part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

1. CORPORATE INFORMATION

The Company is domiciled and incorporated in Singapore with its registered address at 1 Kim Seng Promenade #15-12 Great World City Singapore 237994. Its Unique Entity Number (UEN) is 200813216C.

The Company is a registered charity and has been conferred IPC (Institution of a Public Character) status for the period 1 May 2011 to 30 April 2012.

The objectives of the Company are the following:

(a) To promote artistic expression and carry out research in the field of visual and performing art;

(b) To support youth development and the organising of activities, events or projects to assist in youth development;

(c) To conduct and support lectures, activities, events, workshops, symposia and conferences for the purpose of promoting art, environment or youth issues;

(d) To promote the local music scene;

(e) To promote an improved public understanding of social, youth and environmental issues;

(f) To promote a sense of ownership and a sense of connection among the public to the environment, country, society and community;

(g) To promote and support the organising of projects by informal youth groups;

(h) To promote integration of community projects between different themes and nature which will hence, promote innovation and creativity in community and social service; and

(i) To publish or distribute information relevant to its objectives.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES

(a) Statement of compliance

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

(b) Basis of preparation

(i) Functional and presentation currency

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

(ii) Basis of measurement

The financial statements have been prepared under the historical cost convention except as described in the accounting policies below.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(c) Interpretations and amendments to FRS

In the current financial year, the Company has adopted all the new and revised FRS and interpretations of FRS ("INT FRS") that are relevant to its operations and effective on 1 July 2010. The adoption of the standard did not have any material effect on the financial statements.

Standards issued but not yet effective

The Company did not early adopt the following new/revised FRS, INT FRS and amendments to FRSs that were issued at the date of authorisation of these financial statements but not yet effective until future periods:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to FRS 19 – Employee Benefits	1 January 2013
Amendments to FRS 24 – Related Party Disclosures	1 January 2011
FRS 113 – Fair Value Measurements	1 January 2013

Management believes that the adoption of the revised standards and interpretations will have no material impact on the financial statements in the period of initial application.

(d) Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. All items of property, plant and equipment are initially recorded at cost.

The initial cost of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes and any directly attributable costs of bringing the asset to its working condition and location for its intended use. Any trade discounts and rebates are deducted in arriving at purchase price. Expenditure incurred after the property, plant and equipment have been put into operation, such as repairs and maintenance and overhaul costs, is normally charged to the statement of comprehensive income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditure has resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property, plant and equipment beyond its originally assessed standard of performance, the expenditure is capitalised as an additional cost of property, plant and equipment.

Depreciation is computed on a straight-line basis over the estimated useful life of the assets as follows:

Furniture and fittings	2 years
Office equipment	5 years

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, where shorter, the term of the relevant lease.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(d) Property, plant and equipment (Continued)

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts of the asset and is recognised in the statement of comprehensive income.

Fully depreciated assets still in use are retained in the financial statements.

(e) Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Whenever, the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the statement of comprehensive income.

Reversal of impairment losses recognised in prior years is recorded when there is an indication that the impairment losses recognised for the asset no longer exist or have decreased. The reversal is recorded in income.

However, the increased carrying amount of an asset due to a reversal of an impairment loss is recognised to the extent it does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for that asset in prior years.

(f) Financial instruments

Financial instruments carried on the statement of financial position include cash and cash equivalents, accounts receivable, other receivables and deposits, accounts payable and accruals. The recognition methods adopted are disclosed in the respective accounting policy statements.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangements. Interests, dividends, gains and losses relating to financial instruments classified as liability are reported as expense or income. Distributions to holders of financial instruments classified as equity are charged directly to equity. Financial instruments are offset when the Company has a legally enforceable right to set off the recognised amounts and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

(g) Inventories

Donated inventories are valued at its fair value at the time 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.

(h) Financial assets

Financial assets are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(h) Financial assets (Continued)

Classification

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Such assets are initially recorded at fair value plus directly attributable transaction costs. Subsequent to initial recognition, such assets are carried at amortised cost using the effective interest method. Gains and losses are recognised in the statement of comprehensive income when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Company's financial assets under loans and receivables are cash and cash equivalents, accounts receivable and other receivables and deposits.

The Company does not have any other type of financial asset other than those classified under loans and receivables.

Impairment

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or group of financial assets is impaired.

If there is objective evidence that an impairment loss on loans and receivables carried at amortised costs has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the assets is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed. Any subsequent reversal of an impairment loss is recognised in the statement of comprehensive income, to the extent that the carrying value of the assets does not exceed its amortised cost at the reversal date.

(i) Financial liabilities

Financial liabilities include accounts payable and accruals. Financial liabilities are recognised on the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. Financial liabilities are initially recognised at fair value of consideration received less directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of comprehensive income when the liabilities are derecognised as well as through the amortisation process. The liabilities are derecognised when the obligation under the liability is discharged or cancelled or expired.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(j) Derecognition of financial assets and financial liabilities

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received is recognised in the statement of comprehensive income.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or has expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of comprehensive income.

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, cash at bank and short-term, highly liquid investments that are readily convertible to known amount of cash which are subject to insignificant risk of changes in value.

(l) Operating lease

Leases are classified as operating leases when the lessor effectively retains substantially all the risks and benefits of ownership of the leased item. Operating lease payments are recognised as an expense in the statement of comprehensive income on a straight-line basis over the lease term.

The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) where as a result of past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligations and a reliable estimate can be made of the amount of obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate.

(n) 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.

(o) 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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(p) Recognition of Income and Expenses

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Donation in-kind

Donation in-kind is included in the Statement of Comprehensive Income based on an estimate of their fair value at the date of the receipt of the donation. The donation is recognised if its amount can be measured reliably and there is certainty that it will be received.

(ii) Fee income

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

(iii) Donation

Revenue from donations is accounted for on receipt basis.

(iv) Grants

Revenue is recognised when there is reasonable assurance that the Company will comply with conditions attached to them and that the grants are certain to be received.

(v) Expenses

Expenses are accounted for on the accrual basis.

(q) Employee benefits

(i) Pensions & other past employment benefits

The Company makes contributions to the Central Provident Fund Scheme in Singapore, a defined contribution pension scheme. These contributions are recognised as an expense in the period in which the related service is performed.

(ii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for leave as a result of services rendered by employees up to the reporting date.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(r) Related parties

A party is considered to be related to the Company if:

- (a) The party, directly or indirectly through one or more intermediaries,
 - (i) controls, is controlled by, or is under common control with, the Company;
 - (ii) has an interest in the Company that gives it significant influence over the Company; or
 - (iii) has joint control over the Company;
- (b) The party is an associate;
- (c) The party is a jointly-controlled entity;
- (d) The party is a member of the key management personnel of the Company;
- (e) The party is a close member of the family of any individual referred to in (a) or (d); or
- (f) The party is an entity that is controlled, jointly controlled or significantly influenced by or for which significant voting power in such entity resides with, directly or indirectly, any individual referred to in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or of any entity that is a related party of the Company.

(s) Significant accounting judgments and estimates

The preparation of financial statements in conformity with FRSs requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and 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 income and expenditures during the financial year.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results and may have a significant risk of resulting in a material adjustment to the amounts of assets and liabilities within the next financial year.

(i) Judgements made in applying accounting policies

In the process of applying the Company's accounting policies, there was no major judgement which management made which may have a significant effect on the amounts recognised in the financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES AND ESTIMATES (CONTINUED)

(s) Significant accounting judgments and estimates (Continued)

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation involving uncertainty at the statement of financial position 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 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 period.

The carrying values of inventories amounted to S\$84,305 and S\$NIL as of 30 June 2011 and 2010, respectively. Based on Management's evaluation, no allowance for inventory obsolescence is required in 2011 and 2010.

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment S\$	Furniture and fittings S\$	Total S\$
Cost			
At 1 July 2009	1,232	245	1,477
Additions	3,387	-	3,387
Disposals	-	-	-
At 30 June 2010 and 1 July 2010	4,619	245	4,864
Additions	715	288	1,003
Disposals	-	-	-
At 30 June 2011	5,334	533	5,867
Accumulated depreciation and impairment			
At 1 July 2009	246	123	369
Depreciation	924	122	1,046
Write back	-	-	-
At 30 June 2010 and 1 July 2010	1,170	245	1,415
Depreciation	1,019	96	1,115
Write back	-	-	-
At 30 June 2011	2,189	341	2,530
Net carrying value			
At 30 June 2010	3,449	-	3,449
At 30 June 2011	3,145	192	3,337

4. INVENTORY

	2011 S\$	2010 S\$
Donated paint materials	84,305	-

5. OTHER RECEIVABLES AND DEPOSITS

	Notes	2011 S\$	2010 S\$
Deposits		1,000	-
Add: Cash and cash equivalents	6	38,055	3,038
Total loans and receivables		39,055	3,038

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

6. CASH AND CASH EQUIVALENTS

	2011	2010
	S\$	S\$
Cash at bank	<u>38,055</u>	<u>3,038</u>

7. ACCOUNTS PAYABLE

	2011	2010
	S\$	S\$
Amounts owing to director	55,705	49,835
Other payables	9,540	21,006
Total of financial liabilities	<u>65,245</u>	<u>70,841</u>

Amount owing by director is unsecured, interest free and without any fixed term of repayment.

8. INCOME

	2011	2010
	S\$	S\$
Donation in-kind	144,305	-
Donations (tax deductible)	19,000	5,412
Donations	11,877	11,588
Fee income - artwork sales	1,000	-
Fee income - events	26,300	-
Fee income - mural programmes	8,350	-
Fee income - visual arts	-	9,850
Fee income - workshops	1,232	-
Grant income	161,114	74,965
Other income	1,268	-
	<u>374,446</u>	<u>101,815</u>

9. RELATED PARTY TRANSACTIONS

a) Related party transactions

In the normal course of operations, there were no significant related party transactions entered into by the Company during the year.

b) Compensation of key management personnel

During the year, the Company's interim executive director was paid a total of S\$36,000 (2010: S\$36,000) as director's fees. No other compensation whether directly or indirectly were paid to the directors.

10. EMPLOYEE'S REMUNERATION

None of the Company's employees were remunerated more than or equal to S\$100,000 during the financial years ended 30 June 2011 and 2010.

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

11. INCOME TAX

The Company is an approved charity organisation under the Charities Act, Chapter 37. It is also an institution of public character under the Income Tax Act, Chapter 134. No provision for taxation has been made in the financial statements as the Company is exempt from income tax in accordance with the provisions of Section 13(1)(zm) of the Income Tax Act, Chapter 134.

12. TAX-EXEMPT RECEIPTS

The Company issued tax-exempt receipts for donations collected amounting to S\$19,000 for 2011 and S\$5,412 in 2010.

13. PRODUCTION EXPENSES

Included in production expenses are:

	2011	2010
	S\$	S\$
Fees paid to contract staff	51,500	21,327
Fees paid to facilitators	19,043	10,225
Paint materials	63,265	28
Printing expenses	9,126	-
Production expenses	39,492	23,903

14. ADMINISTRATIVE EXPENSES

Included under administrative expenses are:

	2011	2010
	S\$	S\$
Depreciation of property, plant and equipment	1,115	1,046
Director's fees	36,000	36,000
Rental of premises	19,882	-
Audit fees – this year	2,500	2,500
Audit fees – last year	-	2,200

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The key financial risks that the Company is mainly exposed to are funding, liquidity, and credit risks.

Funding risk

The Company depends largely on voluntary contributions from individuals, companies, government agencies and other organisations to fund and carry out its activities during the year. It does not have any credit facilities from banks or other financial institutions. It is in this area of its operations that the Company continuously faces challenges and risks. Its ability to raise funds is affected by economic conditions, government policies and other factors.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

15. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Funding risk (Continued)

The Company recognises that the management of funding risk is central to its financial management practices and its ability to carry out activities and projects in accordance with the objectives of the Company. As a result, it places its available funds in current accounts in Singapore dollars with creditworthy and reputable financial institutions, namely banks and manages the funds prudently. This practice protects its cash resources and enhances its financial resilience.

Liquidity risk

The Board of Directors monitor the Company's liquidity risk and maintains a level of cash and cash equivalents deemed adequate by the Board of Directors to finance the Company's operations and to mitigate the effects of fluctuation in cash flows.

Credit risk

Credit risk arising from the inability of a customer to meet the terms of the Company's financial instrument contracts is generally limited to the amounts, if any, by which the customer's obligations exceed the obligations of the Company. The Company provides artwork and mural painting services to a wide spectrum of customers of varying credit worthiness. This reduces its concentration of credit risk. The Company does not expect to incur material credit losses on its risk management or on other financial instruments. The carrying amount of accounts and other receivable represents the Company's maximum exposure to credit risk. No other financial assets carry a significant exposure to credit risk.

Other than funding, liquidity and credit risks, there are no other major financial risk – foreign exchange and interest rate – that could adversely impact the activities and performance of the Company.

16. CAPITAL MANAGEMENT

The Company reviews its capital structure at least annually to ensure that it will be able to continue as a going concern. The capital structure of the Company consists of its equity.

17. FUND RAISING AND SPONSORSHIP EXPENSES

During the year, the Company did not carry out any activities to raise funds or obtain sponsorship. No fund-raising and sponsorship expenses were incurred.

18. COMPARATIVES

Amount due from director which has been included under other receivables and deposits and amounts due to director which were classified under accounts payable and accruals in the 2010 comparatives have been reclassified and included under accounts payable to conform to the current year's presentation in the Statement of Financial Position as shown below:

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011**

18. COMPARATIVES (CONTINUED)

	As Previously Presented 2010 S\$	As Re- presented 2010 S\$
<u>CURRENT ASSETS</u>		
Other receivables and deposits	46	-
<u>CURRENT LIABILITIES</u>		
Accounts payable	34,887	70,841
Accruals	47,931	11,931

19. AUTHORISATION OF FINANCIAL STATEMENTS

- The financial statements for the year ended 30 June 2011 were authorised for issue in accordance with a resolution of the directors on

31 DEC 2011

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 S\$	2010 S\$
INCOME		
Donation in-kind	144,305	-
Donations	19,000	17,000
Donations (non-tax deductible)	11,877	-
Fee income - artwork sales	1,000	-
Fee income - events	26,300	-
Fee income - mural programmes	8,350	-
Fee income - visual arts	-	9,850
Fee income - workshops	1,232	-
Grant income	161,114	74,965
Other income	1,268	-
	374,446	101,815
LESS:		
ADMINISTRATIVE EXPENSES		
Accounting and professional fees	-	7,090
Audit fees - last year	-	2,200
Audit fees - this year	2,500	2,500
Bank charges	319	641
Course fee	-	33
Depreciation on property, plant and equipment	1,115	1,046
General office expenses	-	10
Director's fees	36,000	36,000
Office expenses	585	7,140
Printing and stationery	200	416
Rental of premise	19,882	-
Repair and maintenance	-	400
Secretarial fees	1,154	10
Staff welfare and training	134	288
Telephone and internet expense	180	4,164
Trainer's fee	-	400
Travelling and transportation	181	1,519
Volunteer allowance	2,476	150
Website fees	470	-
	65,196	64,007
PRODUCTION EXPENSES		
Fees paid to contract staff	51,500	21,327
Fees paid to facilitators	19,043	10,225
Paint materials	63,265	28
Printing expenses	9,126	-
Production expenses	39,492	23,903
Rental of venue	-	450

This Statement is prepared for Management's use only and does not form part of the statutory audited financial statements.

SOCIAL CREATIVES LTD.
(Company limited by guarantee)

**DETAILED INCOME STATEMENT
FOR THE YEAR ENDED 30 JUNE 2011**

	2011 S\$	2010 S\$
	<u>182,426</u>	<u>55,933</u>
PUBLICITY AND MARKETING		
Publicity and marketing	<u>3,000</u>	<u>-</u>
	<u>3,000</u>	<u>-</u>
TOTAL EXPENSES	<u>250,622</u>	<u>119,940</u>
SURPLUS/(DEFICIT) BEFORE TAX	<u>123,824</u>	<u>(18,125)</u>

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statutory audited financial statements.