

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

Company Registration No: 200402955N
Charity Registration No: 01812

FINANCIAL STATEMENTS FOR THE YEAR ENDED
31 DECEMBER 2005

CYPRESS SINGAPORE
PUBLIC ACCOUNTING CORPORATION

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2005

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SPACES COUNSELING AND COMMUNITY LIMITED
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DIRECTORS' REPORT

The directors present their report to the members together with the audited financial statements of the company for the financial year ended 31 December 2005.

DIRECTORS

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

Siah Eng Kiat
Tung Kian Seng Daniel
Toh Leh Lim (appointed on 10/5/2006)

DIRECTORS' CONTRACTUAL BENEFITS

2. Since the end of previous period, no director has received or become entitled to receive a benefit by reason of a contract made by the company 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.

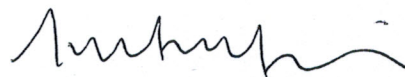
SHARE OPTIONS

3. As the company is limited by guarantee and has no share capital, the matters to be disclosed under Sections 201(11) and 201(12) of the Companies Act, Cap.50 are not relevant.

ON BEHALF OF THE BOARD



SIAH ENG KIAT
DIRECTOR



TOH LEH LIM
DIRECTOR

Singapore,

29 SEP 2006

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

STATEMENT BY DIRECTORS

In the opinion of the directors, the accompanying financial statements together with the notes thereon are drawn up so as to give a true and fair view of the state of affairs of the company as at 31 December 2005 and of the results of the operations, changes in accumulated funds and cash flows of the company for the year ended 31 December 2005 and on 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



SIAH ENG KIAT
DIRECTOR



TOH LEH LIM
DIRECTOR

Singapore,

29 SEP 2006

**AUDITORS' REPORT TO THE MEMBERS OF
SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)**

We have audited the accompanying financial statements of Spaces Counseling and Community Limited for the year ended 31 December 2005. These financial statements are the responsibility of the company's directors. 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 plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- a) the financial statements are properly drawn up in accordance with the provisions of the Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the company as at 31 December 2005 and of the results, changes in accumulated funds and cash flows of the company for the year ended 31 December 2005; and
- b) 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.


CYPRESS SINGAPORE PAC
CERTIFIED PUBLIC ACCOUNTANTS

Singapore,

Date, 29 SEP 2006

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

BALANCE SHEET AS AT 31 DECEMBER 2005

	Note	2005 S\$	2004 S\$
GENERAL FUND	4	<u>26,879</u>	<u>3,725</u>
Represented by:			
PLANT AND EQUIPMENT	5	358	-
CURRENT ASSETS			
Deposits		10,150	2,100
Cash at bank and on hand		27,821	12,275
		<u>37,971</u>	<u>14,375</u>
CURRENT LIABILITIES			
Accrued operating expenses		1,450	650
Non-trade payable to a third party	6	10,000	10,000
		<u>11,450</u>	<u>10,650</u>
NET CURRENT ASSETS		<u>26,521</u>	<u>3,725</u>
		<u>26,879</u>	<u>3,725</u>

The accompany notes form an integral part of the financial statements

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31 DECEMBER 2005

	Note	Year ended 31.12.2005 S\$	Period from 12.3.2004 to 31.12.2004 S\$
INCOME FROM DONATIONS	8	40,000	11,023
INCOME FROM "A NATION IN CONCERT"		249,734	-
MEDIA PUBLICATION FEES		2,200	-
WORKSHOP FEES		5,700	-
SPONSORSHIP FOR CONFERENCE		785	-
		<u>298,419</u>	<u>11,023</u>
LESS: OPERATING EXPENSES			
Auditors' remuneration		650	650
Professional fees		5,333	-
Depreciation of plant and equipment		40	-
Events expenses		10,815	6,423
Events expenses on "A Nation in Concert"		59,063	-
Donations - "A Nation in Concert"		192,939	-
Other operating expenses		6,425	225
		<u>275,265</u>	<u>7,298</u>
SURPLUS BEFORE TAXATION		<u>23,154</u>	<u>3,725</u>
TAXATION	7	-	-
NET SURPLUS FOR THE YEAR/PERIOD		<u><u>23,154</u></u>	<u><u>3,725</u></u>

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

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

**STATEMENT OF CHANGES IN ACCUMULATED FUND FOR THE YEAR ENDED
31 DECEMBER 2005**

	General Fund S\$
BALANCE AS AT 12 MARCH 2004	-
Surplus for the period	3,725
BALANCE AS AT 31 DECEMBER 2004	<u>3,725</u>
Surplus for the year	23,154
BALANCE AS AT 31 DECEMBER 2005	<u><u>26,879</u></u>

The accompany notes form an intergal part of the financial statements.

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

CASH FLOW STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005

	Year ended Note 31.12.2005 S\$	Period from 12.3.2004 to 31.12.2004 S\$
CASH FLOW FROM OPERATING ACTIVITIES		
Net surplus for the year	23,154	3,725
Adjustments for non-cash items:		
Depreciation of plant and equipment	40	-
Operating profit before working capital changes	<u>23,194</u>	<u>3,725</u>
Increase in other receivables	(8,050)	(2,100)
Increase in accrued operating expenses	800	650
Net cash generated from operating activities	<u>(7,250)</u> <u>15,944</u>	<u>(1,450)</u> <u>2,275</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of plant and equipment	(398)	-
Net cash used in investing activities	<u>(398)</u>	<u>-</u>
CASH FLOW FROM FINANCING ACTIVITIES		
Loan from a third party	-	10,000
Net cash generated from financing a	<u>-</u>	<u>10,000</u>
NET CHANGE IN CASH AND CASH EQUIVALENTS	15,546	12,275
CASH AND CASH EQUIVALENTS AS AT 1 JANUARY/ 12 MARCH	9 12,275	-
CASH AND CASH EQUIVALENTS AS AT 31 DECEMBER	9 <u>27,821</u>	<u>12,275</u>

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

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

NOTES TO THE FINANCIAL STATEMENTS - 31 DECEMBER 2005

1. GENERAL INFORMATION

The company is a company limited by guarantee incorporated under Singapore Companies Act, Cap. 50 and is domiciled in Singapore.

The principal activities are to engage in charitable, social welfare and counselling and community work for the needy. The company has carried out its counselling work under the business name of Oogachaga. The company is a charity registered under the Charities Act, since 25 September 2004.

The company's registered address is at 50 Raffles Place #17-01 Singapore Land Tower, Singapore 048623 and its principal place of business is at No. 3 Pickering Street #01-09 Nankin Row, China Square Central, Singapore 048660.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of accounting

The financial statements are prepared in compliance with Singapore Financial Reporting Standards issued by Council on Corporate Disclosure and Governance of Singapore.

The financial statements are presented in Singapore Dollars.

The financial statements are prepared in accordance with the historical cost convention.

The financial statements for the financial year ended 31 December 2005 were authorised to be issued on the date of the Statement by Directors.

2.2 Adoption of new and revised Financial Reporting Standards

The accounting policies adopted in the financial year are consistent with those used in the previous financial period except for the adoption of certain new and revised Financial Reporting Standards effective for the financial year beginning 1 January 2005. These new and revised Financial Reporting Standards have no significant effects on the company's accounting policies.

2.3 Issue but not yet effective Financial Reporting Standards

As at the date of this report, the company has not applied any new or revised Financial Reporting Standards that has been issued but not yet come into effect. These new or revised standards upon adoption will not have significant impact on the financial statements.

2.4 Significant judgments by the directors in applying accounting policies

In the process of applying the company's accounting policies, the directors did not make any significant judgments, apart from those involving estimations, that have significantly effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Key sources of estimation uncertainty

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements, and the reported amounts of income and expenses during the financial period. Although these estimates are based on the directors' best knowledge of current event and actions, actual results may differ from those estimates.

There are no significant key assumptions concerning the future, nor other key sources of estimation uncertainty at the balance sheet date that would have significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

2.6 Plant and equipment

Plant and equipment are initially stated at cost. Subsequent to initial recognition, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

Depreciation of an asset commences when the asset is available for use. Depreciation is provided on gross carrying amounts less residual value in equal annual installments over the estimated lives of the assets. The annual rates of depreciation are as follows:

Furniture and fittings	20%
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The residual value and the useful life of an asset is reviewed at each balance sheet date, and if expectations are different from previous estimate, changes are made to the depreciation charge for the remaining undepreciated amount.

Fully depreciated assets are retained in the financial statements until they are no longer in use or disposed and no further charges for depreciation are made in respect of these assets. Any gain or loss arising from the derecognition of the asset is recognised in the income statement.

When events or changes in circumstances indicate that the carrying amount of an asset is not recoverable, impairment loss is recognised in the income statement.

2.7 Financial assets

Financial assets are classified as 'financial assets at fair value through profit or loss', 'loans and receivables', 'held-to-maturity investments', or 'available-for-sale' financial assets. Financial assets are recognised in the balance sheet when the company becomes a party to the contractual provisions of the financial assets.

All financial assets are initially recognised at fair value plus any directly attributable transactional costs, except for 'financial assets at fair value through profit or loss' which are measure at fair value only. The classification of financial assets, after initially recognition, is re-evaluated and reclassified where allowed and appropriate.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Cash at banks and on hand

Cash at banks and on hand are classified and accounted for as 'loans and receivable' as they are non-derivatives financial assets with fixed or determinable payments that are not quoted in an active market. These assets are carried at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when these loans and receivables are derecognised or impaired, as well as through the amortisation process.

2.9 Income recognition

Donations are recognised when received and income from events are taken up on a time-apportionment basis.

2.10 Other payables

These liabilities, including non-trade payable to a third party, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gains or losses are recognised in the income statement when these liabilities are derecognised or impaired, as well as through the amortisation process.

2.11 Deposit

Deposit is stated at cost.

2.12 Provisions

Provisions are recognised when the company has a present obligation as a result of a past event which is probable and will result in an outflow of economic benefits that can be reliably estimated.

2.13 Impairment of assets

As at each balance sheet date, assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Whenever the carrying amount of an asset exceeds its recoverable amount, an impairment loss is recognised in the income statement unless it reverses a previous revaluation credited to reserve. The recoverable amount is the higher of an asset's net selling price and value in use. The net selling price is the amount realisable from the sale of the asset in an arm's length transaction. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the asset and from its disposal at the end of its useful life. Recoverable amounts are estimated for individual assets or, if impossible to be estimated individually, for the cash-generating unit in which the asset is deployed.

Reversal of an impairment loss previously recognised is recorded to the extent the impairment loss had previously been recognised. A reversal of an impairment loss on a revalued asset is credited directly to reserve, unless the impairment loss on the same revalued asset was previously expensed in the income statement, in which case it is recognised as income.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 Taxation

The charge of current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed.

Deferred tax is provided in full, using the liability method, on all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, carry forward of unused tax assets and losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced to the extent that it is no longer probable to be utilised against future taxable profits.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority and the company intends to settle its tax assets and liabilities on a net basis.

The tax rates used to determine deferred tax are based on tax rates and tax laws that have been enacted at the balance sheet date.

2.15 Functional currency

Functional currency is the currency of the primary economic environment in which the entity operates. The financial statements are prepared using Singapore dollar as the functional currency.

2.16 Foreign currency transactions

Foreign currency transactions are recorded, on initial recognition in the functional currency, by applying to the foreign currency amount to the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences are taken to the income statement. All transactions in currencies other than the functional currency are treated as transactions in foreign currencies.

At each balance sheet date, foreign currency monetary assets and liabilities are converted into the functional currency at the spot rate on the balance sheet date. Exchange differences are taken to the income statement.

3. SHARE CAPITAL

As the company is limited by guarantee, it has no share capital.

4. GENERAL FUND

In accordance with section 4 of the Memorandum of Association of the company, no portion of its income and property shall be paid or transferred, directly or indirectly by way of dividend, bonus or otherwise howsoever by way of profit to the members of the company.

5. **PLANT AND EQUIPMENT**

	Furniture and fittings S\$
<u>Cost</u>	
As at 1.1.2005	-
Additions	398
As at 31.12.2005	<u>398</u>
<u>Accumulated depreciation</u>	
As at 1.1.2005	-
Depreciation for the year	40
As at 31.12.2005	<u>40</u>
<u>Carrying amount</u>	
As at 31.12.2005	<u>358</u>
As at 31.12.2004	<u>-</u>

6. **NON-TRADE PAYABLE TO A THIRD PARTY**

The loan payable to third party is unsecured, interest-free and has no fixed terms of repayment.

7. **TAXATION**

The income of the company Ltd is exempted from income tax under Section 13M(2)(b) of the Singapore Income Tax Act, Cap. 134. Under Section 13M(2)(b), the income of any charitable institution will be exempt from tax if at least 80% of the donations and of its income after allowable deductions is applied for charitable purposes.

	S\$
Amount to be expended by 31 December 2006	<u>5,488</u>

8. **DONATION FROM CHARITY EVENTS**

The donation derived from charity events during the year/period are as follows:-

	Year ended 31.12.2005 S\$	Period from 12.3.2004 to 31.12.2004 S\$
Outright donations	40,000	5,948
Golden Girls project	-	4,445
Vaanavil project	-	630
	<u>40,000</u>	<u>11,023</u>

9. CASH AND CASH EQUIVALENTS

Cash and cash equivalents stated in the cash flow statement includes the following:

	2005 S\$	2004 S\$
Cash on hand	370	190
Cash at banks	27,451	12,085
	<u>27,821</u>	<u>12,275</u>

10. FINANCIAL RISK MANAGEMENT

The company is exposed to the following risks through its normal operations.

i) Liquidity risk

The company is dependent on the generous support of the general public for donations to fund its operations.

ii) Interest rate risk

The company is not exposed to interest rate risk.

iii) Foreign exchange risk

The company is not exposed to any foreign currency risk as all of its transactions were carried out in local currency.

iv) Credit risk

The company is not exposed to any substantial concentration of credit risk in that other parties will not be able to meet their obligations to the company. Cash at bank is placed with credit worthy financial institution.

v) Fair value risk

The fair value of the company's financial assets and financial liabilities reported in the balance sheet approximate their carrying value due.

vi) Derivative instruments

The company does not utilise any derivative instruments.

The responsibility for managing the above risks is vested in the directors.

11. SUBSEQUENT EVENT

Subsequent to the year end, the company has registered a sole-proprietor business under the name of A Nation in Concert to carry out its charitable and social welfare activities.

For Management Information Only

SPACES COUNSELING AND COMMUNITY LIMITED
(Incorporated in Singapore, Limited by Guarantee)

DETAILED INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED
31 DECEMBER 2005

	Year ended 31.12.2005 S\$	Period from 12.3.2004 to 31.12.2004 S\$
INCOME		
General donations received	40,000	11,023
Donations received - A Nation in Concert	249,734	-
Media publication fees	2,200	-
Workshop fees	5,700	-
Sponsorship for conference	785	-
	<u>298,419</u>	<u>11,023</u>
LESS: OPERATING EXPENSES		
Auditors' remuneration	650	650
Professional fees	5,778	-
Depreciation of plant and equipment	40	-
General expenses	130	225
Events expenses	10,815	6,423
Event expenses - A Nation in Concert	59,063	-
Donations - A Nation in Concert	192,939	-
Workshop expenses	4,985	-
Travel and conference expenses	760	-
Bank charges	105	-
	<u>275,265</u>	<u>7,298</u>
SURPLUS FOR THE YEAR/PERIOD	<u><u>23,154</u></u>	<u><u>3,725</u></u>