

CANADIAN ASSOCIATION OF SINGAPORE

ROS Reference No. 0108/1950

UEN Number: S61SS0107A

(Registered under the Societies Act, Chapter 311, Singapore)

FINANCIAL STATEMENTS

For the financial year ended 28 February 2011

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(Registered under the Societies Act, Chapter 311, Singapore)

STATEMENT BY EXECUTIVE COMMITTEE

We being the two of the undersigned Executive Committee of Canadian Association of Singapore do hereby state that, in the opinion of the Executive Committee, the statement of financial position, statement of comprehensive income and expenditure, statement of changes in funds and statement of cash flows are properly drawn up so as to give a true and fair view of the state of affairs of the Association as at 28 February 2011 and the results, changes in funds and cash flows of the Association for the financial year ended on that date.

On behalf of the Executive Committee

Jayne Schueller
President

Wendy Chow
Treasurer

Singapore
30 June 2011

**INDEPENDENT AUDITORS' REPORT TO THE EXECUTIVE COMMITTEE OF
CANADIAN ASSOCIATION OF SINGAPORE**

Registration No. 0108/1950

UEN Number: S61SS0107A

Report on the Financial Statements

We have audited the accompanying financial statements of CANADIAN ASSOCIATION OF SINGAPORE, (the Association) which comprise the statement of financial position as at 28 February 2011, and the statement of comprehensive income and expenditure, statement of changes in funds and statement of cash flows for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Executive Committee's Responsibility for the Financial Statements

The executive committee is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Societies Act, (Chapter 311) and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair statement of income and expenditure and statement of financial position 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 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 procedure selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the association's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by executive committee, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements are properly drawn up in accordance with the provisions of the Societies Act, (Chapter 311) and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Association as at 28 February 2011 and the results, changes in funds and cash flows of the Association 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 above regulations to be kept by the Association have been properly kept in accordance with those regulations.

Helmi Talib & Co
Public Accountants and
Certified Public Accounting

Singapore
30 June 2011

CANADIAN ASSOCIATION OF SINGAPORE
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STATEMENT OF FINANCIAL POSITION
As at 28 February 2011

	NOTE	<u>2011</u> \$	<u>2010</u> \$
ASSETS			
Non-current assets			
Plant and equipment	4	<u>1,045</u>	<u>2,077</u>
Current assets			
Receivables	5	3,683	4,935
Cash and cash equivalents	6	56,944	18,156
		<u>60,627</u>	<u>23,091</u>
TOTAL ASSETS		<u>61,672</u>	<u>25,168</u>
LIABILITIES AND FUND BALANCE			
Current liabilities			
Payables	7	<u>54,592</u>	<u>13,202</u>
Total current liabilities		<u>54,592</u>	<u>13,202</u>
Accumulated fund			
Balance at beginning of the financial year		11,966	59,025
Net deficit for the financial year		(4,886)	(47,059)
		<u>7,080</u>	<u>11,966</u>
TOTAL LIABILITIES AND FUND BALANCE		<u>61,672</u>	<u>25,168</u>

The accompanying notes form an integral part of these financial statements

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STATEMENT OF COMPREHENSIVE INCOME AND EXPENDITURE
For the financial year ended 28 February 2011

	NOTE	<u>2011</u> \$	<u>2010</u> \$
REVENUES			
Functions		186,698	101,391
Membership fees		17,484	14,762
Advertising		10,132	3,245
Corporate sponsorship		2,600	1,600
Interest		23	45
TOTAL REVENUES		<u>216,937</u>	<u>121,043</u>
DIRECT EXPENSES			
Functions	8	115,981	113,391
Newsletter	9	17,581	6,296
Office expenses	10	7,413	10,816
Paypal fees		-	206
Tour guide		-	440
TOTAL DIRECT EXPENSES		<u>140,975</u>	<u>131,149</u>
OTHER EXPENSES			
Donations		76,337	24,412
Audit fees		1,400	1,100
Miscellaneous expenses		1,449	3,944
Depreciation of plant and equipment	4	1,032	1,523
Transportation		346	-
Accounting and legal		284	-
Inventories - Write Off		-	3,629
Security deposit - Write Off		-	1,000
Photocopier rental		-	745
Photographs		-	600
TOTAL OTHER EXPENSES		<u>80,848</u>	<u>36,953</u>
TOTAL EXPENSES		<u>221,823</u>	<u>168,102</u>
Net (deficit) before income tax		(4,886)	(47,059)
Income tax	11	-	-
Net (deficit) after income tax		(4,886)	(47,059)
Other comprehensive income for the year		-	-
Total comprehensive (deficit)/surplus for the year		<u>(4,886)</u>	<u>(47,059)</u>

The accompanying notes form an integral part of these financial statements

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STATEMENT OF CHANGES IN FUNDS
For the financial year ended 28 February 2011

	<u>Total Funds</u>
	\$
As at 29 February 2009	59,025
Deficit after income tax	(47,059)
As at 28 February 2010	<u>11,966</u>
Deficit after income tax	(4,886)
As at 28 February 2011	<u><u>7,080</u></u>

The accompanying notes form an integral part of these financial statements

CANADIAN ASSOCIATION OF SINGAPORE
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STATEMENT OF CASH FLOWS
For the financial year ended 28 February 2011

	NOTE	<u>2011</u> \$	<u>2010</u> \$
Cash flows from operating activities			
Net deficit before income tax		(4,886)	(47,059)
Adjustments for			
Depreciation of plant and equipment		1,032	1,523
Interest income		(23)	(45)
Operating cash flows before working capital changes		<u>(3,877)</u>	<u>(45,581)</u>
Decrease / (Increase) in receivables		1,252	(3,935)
Decrease in inventory		-	3,628
Increase / (Decrease) in payables		41,390	(12,376)
Net cash flows from (used in) operating activity		<u>38,765</u>	<u>(58,264)</u>
Interest received		23	45
Net cash from (used in) operating activity		<u>38,788</u>	<u>(58,219)</u>
Cash flows from investing activity			
Acquisition of plant and equipment		-	(200)
Net cash flows used in investing activities		<u>-</u>	<u>(200)</u>
Net increase (decrease) in cash and cash equivalents		38,788	(58,419)
Cash and cash equivalents at the beginning of the year		18,156	76,575
Cash and cash equivalents at the end of the year	6	<u>56,944</u>	<u>18,156</u>

The accompanying notes form an integral part of these financial statements

CANADIAN ASSOCIATION OF SINGAPORE

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1 THE ORGANISATION AND ITS PRINCIPAL ACTIVITY

The Association is a “non-profit” organisation. The Association is registered as a society in the Republic of Singapore on 19 December 1961 under the Singapore Societies Act. Its registered office is situated at 371 Tanjong Katong Road, Singapore 437128. Its objective is to foster the interests of and to promote friendship among Canadian citizens in Singapore, through activities directly or indirectly benefiting such Canadians.

The financial statements were authorised for issue in accordance with a resolution of Executive Committee on 30 June 2011.

2 EXECUTIVE COMMITTEE

For the financial year under review, the members of the executive committee were as follows:

Janey Schueller	-	President
Franca Ciambella	-	Vice President
Darlene Gordon	-	Secretary
Wendy Chow	-	Treasurer
Kim Norman	-	American Club Representative
Anne Purcell	-	Canadian Dragon Boat Team Representative

3 SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of preparation

The financial statements are prepared in accordance with the provisions of the Societies Act and Singapore Financial Reporting Standards (“FRS”). The financial statements are prepared under the historical cost basis except as disclosed in the accounting policies below.

The financial statements are expressed in Singapore Dollars (SGD or S\$), which is the Association’s functional and presentation currency, are prepared in accordance with the historical cost basis except, for certain financial assets and financial liabilities which are stated at fair value.

The preparation of financial statements requires the executive committee to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. Although these estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.1 Basis of preparation (continued)

There were no critical judgements made in the process of applying the Association's accounting policies that have the most significant effect on the amounts recognised in the financial statements. There were no key assumptions concerning the future, and other key sources of estimation 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.

3.2 Changes in accounting policies

In the current financial year, the Association has adopted all the new and revised FRSs and Interpretations of FRS (INT FRS) that are relevant to its operations and effective for annual periods beginning on or after 1 March 2010. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Association's accounting policies and has no material effect on the amounts reported for the current or prior years.

3.3 New or revised accounting standards and interpretations

The Association has not early adopted all the new standards, amendments and interpretations to existing standards which have been published and are mandatory for the Association's accounting periods beginning on or after 1 March 2011 or later periods.

Except for the revised FRS 24, the executive committee expects that the adoption of the other standards and interpretations will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised FRS 24 is described below.

Revised FRS 24 Related Party Disclosures

The revised FRS 24 clarifies the definition of a related party to simplify the identification of such relationships and to eliminate inconsistencies in its application. The revised FRS 24 expands the definition of a related party and would treat two entities as related to each other whenever a person (or a close member of that person's family) or a third party has control or joint control over the entity, or has significant influence over the entity. The revised standard also introduces a partial exemption of disclosure requirements for government-related entities. The Association is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transaction. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Association when implemented.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2011

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.4 Functional currency

The executive committee has determined the currency of the primary economic environment in which the Association operates i.e. functional currency, to be SGD. Revenue and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuations in SGD.

3.5 Plant and equipment

Plant and equipment are carried at cost, less accumulated depreciation and any impairment. The cost of plant and equipment initially recognised includes its purchase price and any directly attributable costs of bringing the assets its working condition for intended use. Subsequent expenditure relating to 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 Association and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in the statement of income and expenditure when incurred.

Depreciation is calculated on a straight line method over their estimated lives as follows:

Office equipment	-	5 years
Dragon boat equipment	-	3 years
Software	-	2 years
Renovation	-	5 years

The carrying values of plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful life and depreciation method are reviewed at each financial year end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of plant and equipment.

Fully depreciated plant and equipment are retained in the financial statements until they are no longer in use and no further charge for depreciation is made in respect to those assets.

An item of plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of these assets is included in the statement of income and expenditure in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.6 Impairment of non-financial assets

The carrying amounts of the Association's assets are reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. All impairment losses are recognised in the statement of income and expenditure whenever the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is only revised to the extent that the assets carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or impairment, if no impairment loss has been recognised. All reversals of impairment are recognised in the statement of income and expenditure.

3.7 Financial assets

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

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs.

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Association commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets, within the period generally established by regulation or convention in the market place concerned.

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment losses. Gains and losses are recognised in statement of income and expenditure when the loans and receivables are derecognised or impaired, as well as through the amortisation process.

The Association classifies the following financial assets as loans and receivables:

- cash and cash equivalents
- receivables

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 28 February 2011

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.8 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank balances. Cash carried in the statement of financial position is classified and accounted for as loans and receivables under FRS 39.

3.9 Impairment of financial assets

The Association assesses at each statement of financial position 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 cost 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 asset is reduced through the use of an allowance account. The impairment loss is recognised in the statement of income and expenditure.

When the financial asset becomes uncollectible, the carrying amount of impaired financial assets is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has incurred, the Association considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

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 to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in the statement of income and expenditure.

3.10 Derecognition of financial assets

A financial asset is derecognised where the contractual rights to receive cash flows from the asset have expired.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised in other comprehensive income is recognised in the statement of income and expenditure.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.11 Financial liabilities

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

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

For financial liabilities other than derivatives, gains and losses are recognised in the statement of income and expenditures when the liabilities are derecognised and through amortisation process.

3.12 Provisions

Provisions are recognised when the Association has a present legal or constructive obligation as a result of a past event where it is probable that it will result in an outflow of economic benefits to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

3.13 Revenue recognition

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

Functions

Revenue collected from functions are recognised when received.

Membership fees

Membership fees are recognised over the period of membership.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.13 Revenue recognition (continued)

Interest income

Interest income is recognised as interest accrues (using the effective interest method) unless collectibility is in doubt.

3.14 Income tax

(a) *Current tax*

Current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the statement of financial position date.

Current taxes are recognised in the statement of income and expenditure except for tax related to items recognised outside statement of income and expenditure, either in other comprehensive income or directly in equity.

(b) *Deferred taxation*

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences and carry-forwards of unused tax credits and unused tax losses, if it is not probable that taxable profit will be available against which the deductible temporary differences and carry-forward of unused tax credits and unused tax losses can be utilised.

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NOTES TO THE FINANCIAL STATEMENTS

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3 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

3.15 Income tax (continued)

(b) Deferred taxation (continued)

The carrying amount of deferred tax asset is reviewed at the statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the statement of financial position date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the statement of financial position date.

Deferred taxes are recognised in the statement of income and expenditure except for deferred tax relating to items recognised directly in equity are recognised in equity.

(c) Goods and services tax

Revenues, expenses and assets are recognised net of the amount of goods and services tax (GST) except:

- Where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of the receivable or payables in the statement of financial position.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

4 PLANT AND EQUIPMENT

	Office equipment \$	Dragon Boat equipment \$	Software \$	Renovation \$	Total \$
Cost					
At 29.02.2009	13,795	38,786	6,500	5,024	64,105
Addition	200	-	-	-	200
	-----	-----	-----	-----	-----
At 28.02.2010	13,995	38,786	6,500	5,024	64,305
Addition	-	-	-	-	-
	-----	-----	-----	-----	-----
At 28.02.2011	13,995	38,786	6,500	5,024	64,305
	-----	-----	-----	-----	-----
Accumulated depreciation					
At 29.02.2009	11,399	38,786	6,500	4,020	60,705
Depreciation charge	519	-	-	1,004	1,523
	-----	-----	-----	-----	-----
At 28.02.2010	11,918	38,786	6,500	5,024	62,228
Depreciation charge	1,032	-	-	-	1,032
	-----	-----	-----	-----	-----
At 28.02.2011	12,950	38,786	6,500	5,024	63,260
	-----	-----	-----	-----	-----
Net book value					
At 28.02.2010	2,077	-	-	-	2,077
	=====	=====	=====	=====	=====
At 28.02.2011	1,045	-	-	-	1,045
	=====	=====	=====	=====	=====

5 RECEIVABLES

	<u>2011</u> \$	<u>2010</u> \$
Prepayments	1,226	265
Others	2,457	4,670
	-----	-----
	3,683	4,935
	=====	=====
Receivables (excluding prepayments)	2,457	4,670
Add: Cash and cash equivalents (Note 6)	56,944	18,156
	-----	-----
Total loans and receivables	59,401	22,826
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 28 February 2011

5 RECEIVABLES (CONTINUED)

Receivables are denominated in Singapore Dollar.

6 CASH AND CASH EQUIVALENTS

	<u>2011</u>	<u>2010</u>
	\$	\$
Cash in hand	4,290	10,222
Cash at bank	52,654	7,934
	-----	-----
	56,944	18,156
	=====	=====

Cash at bank earns interest based on daily bank deposit rates ranging from 0.30% to 2.10% (2010: 0.30% to 2.39%) per annum.

For the purpose of the statement of cash flows, cash and cash equivalents are comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollar.

7 PAYABLES

	<u>2011</u>	<u>2010</u>
	\$	\$
Donations	41,636	-
Prepaid membership fees	8,890	10,874
Accruals	1,400	1,000
Others	2,666	1,328
	-----	-----
	54,592	13,202
	=====	=====
Total financial liabilities carried at amortised cost	54,592	13,202
	=====	=====

Prepaid membership fees relates to membership fees received in advance for the current year membership subscriptions.

Payables are denominated in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 28 February 2011

8 FUNCTIONS

	<u>2011</u>	<u>2010</u>
	\$	\$
Events	66,338	67,935
Facility rental	41,164	15,224
Dragon Boat expenses	8,479	-
Ice Hockey expenses	-	30,232
	-----	-----
	115,981	113,391
	=====	=====

9 NEWSLETTER

	<u>2011</u>	<u>2010</u>
	\$	\$
Printing and photocopies	17,473	6,210
Postage	108	86
	-----	-----
	17,581	6,296
	=====	=====

10 OFFICE EXPENSES

	<u>2011</u>	<u>2010</u>
	\$	\$
Insurance	2,677	1,681
Supplies	2,305	7,023
Office rent	1,706	-
Telephone	403	543
Advertising	276	488
Internet	46	201
Computer software	-	880
	-----	-----
	7,413	10,816
	=====	=====

NOTES TO THE FINANCIAL STATEMENTS
 For the financial year ended 28 February 2011

11 INCOME TAX

	<u>2011</u>	<u>2010</u>
	\$	\$
Current income tax	-	-
	=====	=====

The income tax expense on the results of the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to deficit before taxation due to the following factors:

	<u>2011</u>	<u>2010</u>
	\$	\$
Deficit before income tax	(4,886)	(47,059)
	=====	=====
Tax at statutory tax rate of 17%	(831)	(8,000)
Expenses not deductible for tax purposes	209	293
Others	622	7,707
	-----	-----
	-	-
	=====	=====

At the end of the reporting date, the Association has unutilised tax losses of approximately \$24,989 (2010: \$21,335), which can, subject to the provision of Section 37 and Section 23 of the Income Tax Act, be carried forward for set-off against future taxable profits.

The potential deferred tax asset arising from these unutilised losses has not been recognised in the financial statements because of the uncertainty of future taxable profits.

12 FINANCIAL INSTRUMENTS

(a) Financial risk management objectives and policies

The main risks arising from the Association's financial instruments are credit risk, interest rate risk and liquidity risk. The Association has no foreign currency risk and market price risk. The Association's policies for managing these risks are summarised below.

Credit risk

Credit risk is limited to risk arising from the inability of a debtor to make payments when due. These debts are continually monitored and therefore, the Association does not expect to incur material credit losses.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

12 FINANCIAL INSTRUMENTS (CONTINUED)

(a) Financial risk management objectives and policies (continued)

Credit risk (continued)

For other financial assets that is cash and cash equivalents, the Association minimises credit risk by dealing exclusively with high credit rating counter parties.

Exposure to credit risk

The carrying amount of receivables and cash and cash equivalents represented the Association's maximum exposure to credit risk. No other financial asset carries a significant exposure to credit risk.

Credit risk concentration profile

The Association has no significant concentration of credit risk with any single counterparty.

Financial assets that are neither past due nor impaired

Cash and cash equivalents that are neither past due nor impaired are placed with or entered into reputable financial institutions or company with high credit ratings or no history of default.

Financial assets that are either past due or impaired

The Association has no (2010: NIL) financial assets that are either past due or impaired.

Liquidity risk

Liquidity risk refers to the risk in which the Association is unable to meet its short term obligations due to shortage of funds.

The liquidity risk of the Association is minimal as the Association is able to meet its funding requirements through its operations.

As at the statement of financial position date, the Association has a non-derivative financial liabilities that is payables amounting to \$54,592 (2010: \$13,202) which matures within one year or less or repayable on demand.

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

12 FINANCIAL INSTRUMENTS (CONTINUED)

(a) *Financial risk management objectives and policies (continued)*

Interest rate risk

Interest rate risk relates to interest bearing bank deposit.

The Association's bank deposit earns interest at floating rates based on daily bank deposit rates ranging from 0.30% to 2.10% (2010: 0.30% to 2.39%) per annum.

The bank deposit is exposed to market interest rate risk which the Association has no policies in place to mitigate the effect.

Sensitivity analysis for interest rate risk

At the statement of financial position date, if the interest rate had 100 basis points higher/lower with all other variables held constant, the Association's deficit net of tax would have been \$437 (2010: \$66) higher/lower arising mainly as a result of a higher/lower interest income on interest bearing bank deposits.

(b) *Fair values of financial assets and financial liabilities*

The fair value of financial assets and financial liabilities reported in the statement of financial position approximates the carrying amounts of those assets and liabilities, as these are short term in nature.

During the financial year, no amount (2010: NIL) has been recognised in the statement of income and expenditure in relation to the change in fair value of financial assets or financial liabilities estimated using a valuation technique.

The Association has no fair value measurement recognised in the statement of financial position as at the statement of financial position date.

13 MANAGEMENT OF RESERVES

The Association regards its fund as its reserves and maintains its reserves. The Association's reserve policy requires it to maintain sufficient reserve to ensure long term financial sustainability and continuity for the purpose of operating effective programmes. The Association's overall approach to management of reserves remained unchanged and is not subject to any externally imposed capital requirements.

CANADIAN ASSOCIATION OF SINGAPORE
ROS Reference No. 0108/1950
UEN Number S61SS0107A
(Registered under the Societies Act, Chapter 311, Singapore)

NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 28 February 2011

13 MANAGEMENT OF RESERVES (CONTINUED)

Net cash reserve of the Association is as follows:

	<u>2011</u>	<u>2010</u>
	\$	\$
Receivables (excluding prepayments) (Note 5)	2,457	4,670
Cash and cash equivalents (Note 6)	56,944	18,156
Less: Payables (Note 7)	(54,592)	(13,202)
	-----	-----
Net cash reserve	4,809	9,624
	=====	=====