



Annual Report 2011

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CHAIRMAN'S MESSAGE

This year has seen Binjaitree continue to mature and bear fruit. Indeed our branches have grown, with the continued strengthening of our network and partnerships. Our grants to causes have increased from \$530 thousand in 2010 to \$1.18 million in 2011.

Mental Health

Our work in this area has taken shape with the inception of the Caregivers Alliance Limited (CAL). Together with Caregiver's Association for the Mentally Ill and Singapore Anglican Community Services (SACS), we are sponsoring CAL to help caregivers by providing training, support and peer sharing. We have representation on the board through our board member, Benjamin Ng. CAL is led by Dr Sally Thio, an experienced social work practitioner in the field of mental health.

We also supported our partner, SACS, in their expansion of two new Community Rehabilitation Support & Service hubs for mental health care.

Governance Services for Charities

Collaborating with the Singapore Exchange (SGX), we continue to strongly support Shared Services for Charities Limited (SSC). SSC has grown significantly in 2011 and now supports more than 40 charities. Our fellow director, Damian Hong, has provided leadership as executive director since its inception in 2009.

Arts

Regrettably, one of our key commitments in 2010, a collaborative project with the National Art Council and Singapore Art Museum, has been put on hold. We are committed to the arts and seek to make meaningful contributions to the sector.

General Giving – Education & Social Services

Whilst we continue to focus on the three areas above, we have supported many other worthy causes, especially in the field of education and social services. In particular, we helped the National University of Singapore to raise \$13 million from our network of partners to establish the JY Pillay Global Asia Program. This initiative demonstrates our approach to grant making where we augment our giving with fund raising among friends and partners.

Conclusion

As we seek to give specifically to mental health, arts and charity governance, which are our core areas of focus, we will continue to respond to the many needs in our community. I thank my board members for their active contribution and our partners for collaborating with us. We welcome Hsieh Nizhen as our new alternate director.

Hsieh Fu Hua
Chairman
13 June 2011

CORPORATE INFORMATION

Board of Directors

Mr. Hsieh Fu Hua	Founder & Chairman
Ms. Chau Angela	Director
Mr. Hong Chin Fock, Damian	Director
Mr. Ng Heok Seng, Benjamin	Director
Ms. Tan Ai Neo, Gracie	Director
Ms. Hsieh Nizhen	Director (appointed on 1 March 2012, Alternate Director to Mr. Hsieh Fu Hua)

Associates

Mr. Isaiah Paul Das	Associate Director
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Other Information

<i>Company registration number</i>	200818724G
<i>Incorporation date</i>	23 September 2008
<i>Registered Address</i>	177 River Valley Road #05-20 Liang Court Shopping Centre Singapore 179030
<i>Charity registration</i>	1 November 2008
<i>Institution of a Public Character</i>	IPC000646
<i>Company Secretaries</i>	Ms Chan Lai Yin Mr Teo Meng Keong
<i>Banker</i>	DBS Bank Limited
<i>Auditors</i>	Helmi Talib & Co.

MISSION & GUIDING PRINCIPLES

Mission

BinjaiTree is committed to improving our evolving community. We support individuals and organizations in select areas of need through our grants and active collaboration drawing on our network of partners.

Grant-making Priorities

- Mental Health
- Shared Services for Charities
- Arts
- Charity & the Community

Guiding Principles

These guiding principles define our approach to our philanthropic work and directs our strategies and grant making. While many of them are fundamental to our operations, we remain open to amending them as we grow.

- Philanthropy plays an important but limited role
- We are granters and shapers – we provide the opportunity for others to act and implement
- We take measured risks and move with urgency
- We take the long-term view in our approach
- We advocate vigorously but responsibly in our areas of focus
- We treat our grantees as valued partners
- It is of utmost importance to deliver results with the resources we have been given
- We take a firm stance in good governance

FINANCIAL INFORMATION

BINJAITREE

Company Registration Number: 200818724G

DIRECTORS' REPORT

For the financial year ended 31 December 2011

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 31 December 2011.

1. DIRECTORS

The directors at the date of this report are:

Angela Chau
Hong Chin Fock
Tan Ai Neo Gracie
Hsieh Fu Hua (Alternate Director: Hsieh Nizhen)
Benjamin Ng Heok Seng
Hsieh Nizhen

Under Article 8 of its Articles of Association, the member of the Company guarantees to contribute a sum not exceeding \$1 to the assets of the Company in the event of it being wound up. The member of the Company is Hsieh Fu Hua.

2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

The Company is limited by guarantee and has no share capital. None of the directors holding office at the end of the financial year had an interest in the share capital of the Company that is required to be reported pursuant to section 201(6)(g) of the Singapore Companies Act, Cap. 50.

3. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed 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.

4. SHARE OPTIONS

As the Company is limited by guarantee and does not have a share capital, matters relating to the issue of shares or share options are not applicable.

BINJAITREE

Company Registration Number: 200818724G

DIRECTORS' REPORT

For the financial year ended 31 December 2011

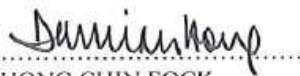
5. AUDITORS

The auditors, Helmi Talib & Co have expressed their willingness to accept re-appointment as auditors.

On behalf of the directors



.....
HSIEH FU HUA
Director



.....
HONG CHIN FOCK
Director

13 March 2012

BINJAITREE

Company Registration Number: 200818724G

STATEMENT BY DIRECTORS

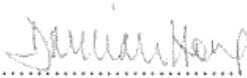
For the financial year ended 31 December 2011

In the opinion of the directors, the accompanying statement of financial position, statement of financial activities, 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 Company as at 31 December 2011 and the results, changes in funds and cash flows of the Company for the financial year then ended, and 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 directors



.....
HSIEH FU HUA
Director



.....
HONG CHIN FOCK
Director

13 March 2012

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF BINJAITREE

Report on the Financial Statements

We have audited the accompanying financial statements of BINJAITREE (the Company), which comprise the statement of financial position as at 31 December 2011, the statement of financial activities, 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.

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 Financial Reporting Standards and Recommended Accounting Practise 6, 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 financial activities and statement of financial position and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain 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 Company'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 Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the accompanying financial statements are properly drawn up in accordance with the Singapore Financial Reporting Standards and Recommended Accounting Practice 6 so as to give a true and fair view of the state of affairs of the Company as at 31 December 2011 and the results, changes in funds and cash flows of the Company for the financial year ended on that date.

Report on Other Legal and Regulatory Requirements

- (a) In our opinion,
- (i) the accounting and other records required by the above regulations to be kept by the Company have been properly kept in accordance with those regulations;
 - (ii) the use of donation money received is in accordance with the Company's objectives; and
- (b) The Company did not hold any fund-raising activity during the financial year.

Other Matters

The audited financial statements for the financial year ended 31 December 2010 were audited by another firm of Certified Public Accountants who expressed an unqualified opinion on 13 June 2011.



Helmi Talib & Co
Public Accountants and
Certified Public Accountants

Singapore

13 March 2012

Partner-in-charge of audit: Helmi Bin Ali Bin Talib

BINJAITREE
Company Registration Number: 200818724G
STATEMENT OF FINANCIAL POSITION
As at 31 December 2011

	<u>Notes</u>	2011 \$	2010 \$
ASSETS			
Non-current assets			
Plant and equipment	5	1,343	2,149
Investment securities - available-for-sale	6	8,137,138	10,109,118
Total non-current assets		<u>8,138,481</u>	<u>10,111,267</u>
Current Assets			
Investment securities - available-for-sale	6	1,305,131	-
Cash and cash equivalent	7	891,172	2,716,147
Total current assets		<u>2,196,303</u>	<u>2,716,147</u>
TOTAL ASSETS		<u>10,334,784</u>	<u>12,827,414</u>
LIABILITIES			
Current liabilities			
Payables	8	3,048	2,140
Total current liabilities		<u>3,048</u>	<u>2,140</u>
TOTAL LIABILITIES		<u>3,048</u>	<u>2,140</u>
FUNDS			
Unrestricted funds			
General funds		9,589,070	9,827,948
Fair value reserves	9	742,666	2,997,326
Total unrestricted funds		<u>10,331,736</u>	<u>12,825,274</u>
TOTAL FUNDS		<u>10,331,736</u>	<u>12,825,274</u>
TOTAL LIABILITIES AND FUNDS		<u>10,334,784</u>	<u>12,827,414</u>

The accompanying notes form an integral part of these financial statements

BINJAITREE

Company Registration Number: 200818724G

STATEMENT OF FINANCIAL ACTIVITIES

For the financial year ended 31 December 2011

		Unrestricted Funds	
	Notes	2011	2010
		\$	\$
<u>INCOMING RESOURCES</u>			
<i>Incoming resources from generated fund</i>			
Voluntary income		400,000	-
Investment income		549,773	827,679
Total incoming resources		949,773	827,679
<u>Less: RESOURCES EXPENDED</u>			
<i>Cost of generating funds</i>			
Cost of generating voluntary income		-	(243,925)
Other cost		(107)	(6)
		(107)	(243,931)
<i>Cost of charitable activities</i>			
Charitable activities		(1,176,940)	(537,557)
Governance cost		(7,985)	(9,353)
Other resources expended		(3,619)	(2,464)
		(1,188,544)	(549,374)
Total resources expended		(1,188,651)	(793,305)
NET (OUTGOING)/INCOMING RESOURCES FOR THE FINANCIAL YEAR	4	(238,878)	34,374

The accompanying notes form an integral part of these financial statements

BINJAITREE
Company Registration Number: 200818724G
STATEMENT OF CHANGES IN FUND
For the financial year ended 31 December 2011

	<u>Notes</u>	Unrestricted Funds		
		General Fund	Fair Value Reserves	Total
		\$	\$	\$
At 01 January 2010		9,793,574	2,985,000	12,778,574
Net incoming resources for the financial year		34,374	-	34,374
Net increase in fair value of investment securities available-for-sale	9	-	12,326	12,326
Net (Gain)/Loss on Disposal of Investment Securities -Available-for-Sale Transfer from Equity	9	-	-	-
At 31 December 2010		9,827,948	2,997,326	12,825,274
Net outgoing resources for the financial year		(238,878)	-	(238,878)
Net increase in fair value of investment securities available-for-sale	9	-	(2,081,437)	(2,081,437)
Net (Gain)/Loss on Disposal of Investment Securities -Available-for-Sale Transfer from Equity	9	-	(173,223)	(173,223)
At 31 December 2011		9,589,070	742,666	10,331,736

The accompanying notes form an integral part of these financial statements

BINJAITREE

Company Registration Number: 200818724G

STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2011

	<u>Notes</u>	2011 \$	2010 \$
<u>Cash flows from operating activities</u>			
Net (outgoing)/incoming resources for the financial year		(238,878)	34,374
Total adjustments :		(548,967)	(827,410)
Depreciation of plant and equipment		806	269
Dividend income		(379,657)	(322,687)
Interest income		(178)	(201)
Gain on disposal of investment securities - available-for-sales		(169,938)	(504,791)
Operating cash flow before changes in working capital		(787,845)	(793,036)
Changes in working capital		908	140
Increase in payables		908	140
Cash flow used in operations		(786,937)	(792,896)
Interest received		178	201
Net cash flow used in operating activities		(786,759)	(792,695)
<u>Cash flows from investing activities</u>			
Dividend received		379,657	322,687
Acquisition of investment securities - available-for-sales		(2,266,030)	(2,702,237)
Proceeds from disposal of investment securities - available-for-sales		848,157	1,440,236
Acquisition of plant and equipment		-	(2,418)
Net cash flow used in investing activities		(1,038,216)	(941,732)
<u>Cash flows from financing activities</u>			
Net cash flow (used in) / from financing activities		-	-
Net decrease in cash and cash equivalents		(1,824,975)	(1,734,427)
Cash and cash equivalents, Statement of Cash Flows, Beginning Balance		2,716,147	4,450,574
Cash and cash equivalents, Statement of Cash Flows, Ending Balance	7	891,172	2,716,147

The accompanying notes form an integral part of these financial statements

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

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

1 COMPANY INFORMATION

The Company is public company limited by guarantee and incorporated in the Republic of Singapore on 23 September 2008 as BINJAITREE LIMITED and changed its name to its current name, BINJAITREE with effect from 22 January 2009.

The financial statements of the Company for the financial year ended 31 December 2011 were authorised for issue in accordance with a resolution of the directors on 13 March 2012.

The Company is an approved charity under the Charities Act, Cap. 37 since 1 November 2008, and has been accorded the status of an Institution of Public Character (IPC) for the year from 1 November 2010 to 31 October 2012. The registration number is IPC000646.

The registered office and principal place of business of the Company is at 177 River Valley Road, #05-20, Liang Court Shopping Centre, Singapore 179030.

The principal activity of the Company is to improve the standard of human life and social well-being.

There have been no significant changes in the nature of the activity during the financial year.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**2.1. Basis of preparation**

The financial statements have been prepared in accordance with the provisions of the Charities Act, (Chapter 37) and Singapore Financial Reporting Standards (FRS) and Recommended Accounting Practice 6 (RAP 6).

The Company has applied RAP 6 for the presentation of the Statement of Financial Activities and Statement of Changes in Funds which differs from FRS 1 presentation of Statement of financial activities and Statement of changes in funds.

The financial statements are expressed in Singapore Dollars (S\$ or SGD), which is the Company's functional currency, are prepared in accordance with the historical cost basis except as disclosed in the accounting policies below.

The preparation of financial statements requires Directors to make judgments, 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.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.1 Basis of preparation (continued)**

There were no critical judgments made in the process of applying the Company'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.

2.2. Changes in accounting policies

In the current financial year, the Company 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 January 2011. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

2.3. New or revised accounting standards and interpretations

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

Except for the revised FRS 24, the Directors expect 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 (Effective for annual periods beginning on or after 1 January 2011)

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 Company 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 Company when implemented in 2011.

BINJAITREE*Company Registration Number: 200818724G***NOTES TO THE FINANCIAL STATEMENTS***For the financial year ended 31 December 2011***2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)****2.4. Income recognition***(a) Donations*

Income from donations of individual are accounted when received, except for committed donations that are recorded when the commitments are signed.

(b) Dividend income

Dividend income is recognised when the Company's rights to receive payment is established.

(c) Interest and investment income

Interest income on bank accounts, fixed deposits placed with banks and bonds are recognised on a time proportion basis using the effective interest method.

2.5. Plant and equipment

Plant and equipment are stated 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 plant and equipment to working condition for its 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 Company and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the statement of financial activities when incurred.

Depreciation is calculated on a straight-line basis over their estimated useful lives as follows:

Office equipment	5 years
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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 year 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.

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 the asset is included in the statement of financial activities in the period the asset is derecognised.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.6. Impairment of non-financial assets**

The carrying amounts of the Company'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 financial activities 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 asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or impairment, if no impairment loss had been recognised. All reversals of impairment are recognised in the statement of financial activities.

2.7. 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.

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

All regular purchases and sales of financial assets are recognised or derecognised on the trade date i.e. the date that the Company 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 marketplace concerned.

Loans and receivables

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 financial activities when the loans and receivables are derecognised or impaired, and through the amortisation process.

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

- cash and cash equivalents

Available-for-sale financial assets

Available-for-sale investments are those non-derivative financial assets that are designated as available-for-sale or are not classified in any of the other categories. After initial recognition, available-for-sale investments are measured at fair value with gains or losses being recognised in the fair value adjustment reserve until the investment is derecognised or until the investment is determined to be impaired at which time the cumulative gain or loss previously reported in equity is included in the statement of financial activities.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.7. Financial assets (continued)**

The fair value of investments that are actively traded in organised financial markets is determined by reference to the relevant exchange's quoted market bid prices at the close of business on the statement of financial position date. For investments where there is no active market, fair value is determined using valuation techniques. Such techniques include using recent arm's length market transactions; reference to the current market value of another instrument, which is substantially the same; discounted cash flow analysis and option pricing models.

2.8. Cash and cash equivalents

Cash and cash equivalents comprise bank balances.

2.9. Impairment of financial assets*Assets carried at amortised cost*

The Company 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 (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the statement of financial activities.

When the financial asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance amount, 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 asset has been incurred, the Company 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 year, 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 financial activities, to the extent that the carrying value of the asset does not exceed its amortised cost at the reversal date.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.9. Impairment of financial assets (continued)***Available-for-sale financial assets*

Significant or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market are considerations to determine whether there is objective evidence that investment securities classified as available-for-sale financial assets are impaired.

If an available-for-sale financial asset is impaired, an amount comprising the difference between its costs (net of any principle payment and amortisation) and its current fair value, less any impairment loss previously recognised in the statement of financial activities, is transferred from funds to the statement of financial activities. Reversals of impairment losses in respect of funds instruments are not recognised in the statement of financial activities. Reversals of impairment losses on debt instruments are recognised in the statement of financial activities if the increase in fair value of the debt instrument can be objectively related to an event occurring after the impairment loss was recognised in the statement of financial activities.

2.10. Derecognition of financial assets

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

On derecognition, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that has been recognised directly in funds is recognised in the statement of financial activities.

2.11. Financial liabilities

Financial liabilities include payables, which are normally settled on 30-90 day terms. 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 attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

Gains and losses are recognised in the statement of financial activities 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.

2.12. Provisions

Provisions are recognised when the Company 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 obligation can be estimated reliably.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**2.12. Provisions (continued)**

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 specified to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.13. Funds

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes if and by action of the Directors. Externally restricted funds may only be utilized in accordance with the purposes established by the sources of such funds and are in contrast with unrestricted funds over which the Directors retains full control to use in achieving its institutional purposes.

2.14. Resources expended

All expenditures are accounted for on accrual basis, aggregated under the respective areas. Direct costs are attributed to the activity where possible. Where costs cannot be wholly attributable to an activity, they are apportioned on a basis consistent with the use of resources.

2.15. Related party

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 or its parent;
- (e) The party is a close member of that family of any individual referred to in (a) or (d);
- (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 be in (d) or (e); or
- (g) The party is a post-employment benefit plan for the benefit of the employees of the Company, or any entity that is a related party of the Company.

BINJAITREE

Company Registration Number: 200818724G

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

3 RELATED PARTY TRANSACTIONS

A related party includes the Directors/office bearers and key management of the Company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual. Key management personnel include the executive director and the direct reporting senior officers.

Significant related party transactions

	2011	2010
	\$	\$
<u>Director - related party: Shared Service for Charities Limited</u>		
Grants distributed	-	130,000
Donations	150,000	150,000
Donations - in kind	-	2,984
Professional fees	4,000	3,250
	4,000	3,250

The Company's board of directors has authorised to fund its related party, Shared Services for Charities Limited, for its initial start-up and working capital amounting to \$500,000. As at the end of the reporting year, an accumulated sum of \$350,000 (2010: \$200,000) has been disbursed.

During the financial year, the Company had paid professional fees for services which totalled up to \$4,000 (2010: \$3,250) to the related party.

	2011	2010
	\$	\$
<u>Founder Director - Hsieh Fu Hua</u>		
Donation received	400,000	-
Donation refunded	-	243,925
	-	243,925

During the financial year, the Company had received a tax-exempt donation amounting to \$400,000 (2010: NIL) from its founder director.

BINJAITREE

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES

	<u>Unrestricted General Funds</u>	
	2011	2010
<u>INCOMING RESOURCES</u>	\$	\$
<i>Incoming resources from generated fund</i>		
<u>Voluntary income</u>		
Donation from founder director	400,000	-
<u>Investment income</u>		
Dividend income – quoted securities	379,657	322,687
Gain on disposal of quoted securities	169,938	504,791
Interest income - banks	178	201
	549,773	827,679
Total incoming resources	949,773	827,679
 <u>Less: RESOURCES EXPENDED</u>		
<i>Cost of generating funds</i>		
<u>Cost of generating investment income</u>		
Refund to donor on non-tax exempt donation received in previous year	-	(243,925)
<u>Other cost</u>		
Investment management cost	(107)	(6)
<i>Cost of charitable activities</i>		
<u>Charitable activities</u>		
Donations in-kind	-	(2,984)
Grants	(1,176,940)	(534,573)
	(1,176,940)	(537,557)
<u>Governance cost</u>		
Auditors' remuneration	(2,140)	(2,280)
Secretarial fee	(1,605)	(3,013)
Legal and professional fees	(4,180)	(3,785)
Filing and attestation	(60)	(275)
	(7,985)	(9,353)
<u>Other resources expended</u>		
Bank Charges	(74)	(83)
Depreciation of plant and equipment	(806)	(269)
Membership	-	(144)

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

4 DETAILED STATEMENT OF FINANCIAL ACTIVITIES (CONTINUED)

	<u>Unrestricted General Funds</u>	
	2011	2010
<u>Less: RESOURCES EXPENDED - CONTINUED</u>	\$	\$
<i>Cost of charitable activities - continued</i>		
<u>Other resources expended - continued</u>		
Miscellaneous expense	(32)	(155)
Postage, Couriers and Stamps	(234)	-
Printing and Stationery	-	(127)
Refreshments	(1,735)	(1,185)
Transportation Charges	(43)	-
Website and internet charges	(695)	(501)
	<u>(3,619)</u>	<u>(2,464)</u>
Total resources expended	<u>(1,188,651)</u>	<u>(793,305)</u>
NET (OUTGOING)/ INCOMING RESOURCES FOR THE FINANCIAL YEAR	<u>(238,878)</u>	<u>34,374</u>

5 PLANT AND EQUIPMENT

	<u>Office equipment</u>
	\$
COST	
At 1 January 2010	-
Acquisitions	2,418
At 31 December 2010	<u>2,418</u>
Acquisitions	-
At 31 December 2011	<u>2,418</u>
ACCUMULATED DEPRECIATION	
At 1 January 2010	-
Depreciation charges for the year	269
At 31 December 2010	<u>269</u>
Depreciation charges for the year	806
At 31 December 2011	<u>1,075</u>
NET BOOK VALUE	
At 31 December 2011	<u>1,343</u>
At 31 December 2010	<u>2,149</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

6 INVESTMENT SECURITIES AVAILABLE-FOR-SALE

	2011			2010		
	Cost	Fair Value Adjustment	Carrying Amount	Cost	Fair Value Adjustment	Carrying Amount
	\$	\$	\$	\$	\$	\$
Non-current assets						
Quoted equity shares	7,182,878	747,242	7,930,120	6,516,848	3,385,252	9,902,100
Unquoted equity shares, at cost	207,018	-	207,018	207,018	-	207,018
	<u>7,389,896</u>	<u>747,242</u>	<u>8,137,138</u>	<u>6,723,866</u>	<u>3,385,252</u>	<u>10,109,118</u>
Current assets						
Quoted funds	1,301,058	4,073	1,305,131	-	-	-
	<u>8,690,954</u>	<u>751,315</u>	<u>9,442,269</u>	<u>6,723,866</u>	<u>3,385,252</u>	<u>10,109,118</u>

The movement of investment securities available-for-sale during the financial year is as follows:

	2011	2010
	\$	\$
At the beginning of the financial year	10,109,118	8,330,000
Additions	2,266,030	2,702,237
Fair value (loss)/gain recognised in equity	(2,081,437)	12,326
Disposal	(851,442)	(935,445)
At the end of the financial year	<u>9,442,269</u>	<u>10,109,118</u>

Quoted funds

 Quoted funds offer the Company opportunity for return through fair value gain. They are managed by a 3rd party investment company. The fair values of these funds are based on the bid price on the last market day of the financial year.

Equity shares – quoted

Quoted equity shares offer the Company opportunity for return through dividend income and fair value gains. They have no fixed maturity. The fair values of these shares are based on the bid price on the last market day of the financial year.

Equity shares – unquoted

Unquoted shares stated at cost have no market prices and the fair value cannot be reliably measured using valuation techniques. The Company does not intend to dispose of this investment in the foreseeable future.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

6 INVESTMENT SECURITIES AVAILABLE-FOR-SALE (CONTINUED)

Investment in securities available-for-sales are denominated in the following currencies:

	2011	2010
	\$	\$
Singapore Dollars	9,245,309	9,879,758
Hong Kong Dollars	196,960	229,360
	9,442,269	10,109,118

7 CASH AND CASH EQUIVALENTS

	2011	2010
	\$	\$
Cash at bank	891,172	2,716,147
Total loans and receivables	891,172	2,716,147

Cash at bank is held in non-interest bearing accounts.

For the purpose of the statement of cash flows, cash is comprised of the balances as shown above.

Cash and cash equivalents are denominated in Singapore Dollars.

8 PAYABLES

	2011	2010
	\$	\$
Accrued operating expenses	3,048	2,140
Total financial liabilities carried at amortised cost	3,048	2,140

Payables are denominated in Singapore Dollars.

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NOTES TO THE FINANCIAL STATEMENTS

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9 FAIR VALUE RESERVES

Fair value adjustment reserve represents the cumulative fair value changes, net of tax, of available for-sale financial assets until they are disposed or impaired.

	2011	2010
	\$	\$
At beginning of financial year	2,997,326	2,985,000
- Net gain on available-for-sale financial assets	(2,081,437)	12,326
- Recognised in the statement of financial activities on disposal of investment securities	(173,223)	-
At end of financial year	742,666	2,997,326

10 INCOME TAX

The Company is a registered Charity under the Charities Act, Chapter 37 and its income is exempted from income tax.

11 TAX-EXEMPT RECEIPTS

During the year, the Company issued tax-exempt receipts for donations collected amounting to \$400,000 (2010: NIL).

12 DONATIONS COMMITMENTS

During the financial year, the Company had committed to grant the donations amounting to \$1,020,500 (2010: NIL) to various charitable organisations.

As at the end of the financial year, the Company had disbursed \$362,500 (2010: NIL). The remaining balance is to be disbursed as follows:

	2011	2010
	\$	\$
Not later than 1 financial year	358,000	-
Later than 1 financial year but not later than 5 years	300,000	-
	658,000	-

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NOTES TO THE FINANCIAL STATEMENTS
For the financial year ended 31 December 2011
13 DONATIONS TO CHARITABLE ORGANISATIONS

Donations were issued to the following charitable organisations and institutes as follows:

	2011	2010
	\$	\$
Active Retirees' Association	-	5,000
Anglo-Chinese School (Junior)	20,000	-
ARC Children's Centre Co Ltd	10,000	-
Boys' Town	20,000	-
Caregivers Association of the Mentally III	1,060	8,578
Christian Care Services (Singapore)	35,000	-
Dover Park Hospice	-	10,000
Fei Yue Community Services	5,000	-
Harun Ghani Education Fund	5,000	-
HealthServe Ltd	50,000	-
Kampong Kapur Family Service Centre	30,000	-
Laselle Foundation Ltd	-	2,000
Methodist Schools' Foundation	20,000	-
Methodist Welfare Services	20,000	20,000
National Arts Council	10,000	-
National Heritage Board	-	10,000
National University of Singapore	383,380	100,000
Ong Chin Lee Peter	12,500	-
People's Action Party Community Foundation	-	30,000
Singapore Indian Development Association	5,000	50,000
Singapore Anglican Community Services	250,000	10,000
Singapore Association for Mental Health	-	30,000
Singapore Association of the Visually Handicapped	-	5,000
Singapore Thong Chai Medical Institution	-	10,000
Singapore Management University Term Fund	10,000	-
The Society of Trust and Estate Practitioners (Singapore Chapter)	20,000	-
The Boys Brigade in Singapore	-	5,000
The Bull Charge Trust Account	50,000	100,000
The Community Foundation of Singapore	50,000	-
The University of Hong Kong Foundation	-	8,995 *
Yellow Ribbon Fund	20,000	-
	1,026,940	404,573

* This donation is earmarked for overseas charitable purposes came from funds received for which no tax deductible receipt was issued.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

14 FINANCIAL INSTRUMENTS**(a) Financial risk management objectives and policies**

The main risks arising from the Company's financial instruments are interest rate risk, credit risk, liquidity risk and market price risk. The Company has no foreign currency risk. The Company does not have specific risk management policies or guidelines.

Credit risk

Credit risk refers to the risk that a counter party will default in its contractual obligations resulting in a loss to the Company. It is the Company's policy to enter into financial instruments with a diversity of creditworthy counterparties. Therefore, the Company does not expect to incur material credit losses on its financial assets or other financial instruments.

Credit risk is the risk of the loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets that is cash and cash equivalents, the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

Exposure to credit risk

The carrying amounts of cash and cash equivalents and investment securities available-for-sale represent the Company's maximum exposure to credit risk in relation to financial assets. No other financial assets carry a significant exposure to credit risk.

Credit risk concentration profile

The Company has no significant concentration of credit risk with exposure spread over a large number of counterparties.

Financial assets that are neither past due nor impaired

The Company has no financial assets that are either past due or impaired.

The credit risk on cash and cash equivalents and investment securities - available-for-sale is limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies and has no history of defaults.

Financial assets that are either past due or impaired

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

Foreign currency risk

The Company's foreign currency exposures arise from the exchange rate movements of Hong Kong Dollars (HKD) to Singapore Dollars (SGD), which is the Company's functional currency.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

14 FINANCIAL INSTRUMENTS (CONTINUED)

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

Foreign risk (continued)

The Company's investment securities - available-for-sale balances at the end of the reporting period have similar exposures. As at the end of the reporting period, foreign currency balances for investment securities - available-for-sale disclosed in Note 6 to the financial statements.

There are no policies in place to mitigate the effect of this foreign currency risk exposure.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the HKD (against SGD), with all other variables held constant, of the Company's profit net of tax and equity.

		2011		2010	
		Impact on Profit	Impact on Equity	Impact on Profit	Impact on Equity
		\$	\$	\$	\$
HKD	- Strengthened by 3% (2010: 3%)	4,904	-	5,711	-
	- Weakened by 3% (2010: 3%)	(4,904)	-	(5,711)	-

Liquidity risk

Liquidity risk arises in the general funding of the Company's business activities. It included the risks of not being able to fund the business activities at settlement dates and liquidate positions in a timely manner at a reasonable price. The Company manages its liquidity risk by placing its cash and cash equivalents with reputable banks and financing its activities through its own surplus funds.

At the statement of financial position date, the Company has non-derivative financial liabilities that are other payables amounting to \$3,048 (2010: \$2,140) which will mature within 1 year or less.

Market price risk

Market price risk is the potential change in value of the financial instrument caused by unfavorable changes in interest rates or the market value of the securities underlying the instruments. The Company is exposed to equity securities price risk because of the investments held by the Company which are classified as available-for-sale.

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

14 FINANCIAL INSTRUMENTS (CONTINUED)

(a) *Financial risk management objectives and policies (continued)**Market price risk (continued)**Sensitivity analysis for equity price risk*

At the statement of financial position date, if prices for equity securities listed had been 2% (2010: 2%) higher/lower with all other variables held constant, the Company's other reserve in funds would have been \$153,305 (2010: \$164,375) higher/lower, arising as a result of an increase/decrease in the fair value equity instruments classified as available-for-sale.

(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 amount of those assets and liabilities, as these are short term in nature except for investment securities available-for-sale in which the carrying amounts have been adjusted to its fair value, as disclosed in Note 6.

*Methods and assumptions used to determine fair value**Investment securities available-for-sale*

The Company has carried the investment securities amounting to \$9,235,251 (2010: \$9,902,100) that are classified as available-for-sale financial assets at their fair value as required by FRS 39.

In assessing fair value, the Company uses the quoted market price as at 31 December 2011. During the financial year, (\$2,081,437) (2010: \$12,326) unrealised (loss)/gain from investment securities available-for-sale has been recognised in the fair value adjustment reserve in relation to the change in fair value of financial assets estimated using a valuation technique described above.

Fair value hierarchy

The Company classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy have the following levels:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 – Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

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14 FINANCIAL INSTRUMENTS (CONTINUED)
(b) Fair values of financial assets and financial liabilities (continued)
Fair value hierarchy (continued)

The investment securities available-for-sale amounting to \$9,442,269 (2010: \$10,109,118) are classified as follows:

	2011			Total
	Quoted price in active market for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
	\$	\$	\$	
Financial assets:				
Investment securities available- for-sale				
- Quoted funds	1,305,131	-	-	1,305,131
- Quoted equity shares	7,930,120	-	-	7,930,120
- Unquoted equity shares, at cost	-	-	207,018	207,018
	<u>9,235,251</u>	<u>-</u>	<u>207,018</u>	<u>9,442,269</u>
	2010			Total
Quoted price in active market for identical instruments (Level 1)	Significant other observable inputs (Level 2)	Significant unobservable inputs (Level 3)		
\$	\$	\$		
Financial assets:				
Investment securities available- for-sale				
- Quoted equity shares	9,902,100	-	-	9,902,100
- Unquoted equity shares, at cost	-	-	207,018	207,018
	<u>9,902,100</u>	<u>-</u>	<u>207,018</u>	<u>10,109,118</u>

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NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2011

14 FINANCIAL INSTRUMENTS (CONTINUED)

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

Fair value hierarchy (continued)

There have been no transfers between Level 1 or Level 2 or Level 3 to Level 1 or Level 2 or Level 3 during the financial year.

15 MANAGEMENT OF RESERVES

Utilisation of reserves is determined by the Board of the Company. There were no changes in the Company's approach to reserves management during the year. The Company is not subject to any externally imposed capital reserve requirements.