

MASTER COPY

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Registration No. 0177/1973)  
(Incorporated in the Republic of Singapore)

**AUDITED ACCOUNTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Incorporated in the Republic of Singapore)

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**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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STATEMENT OF COUNCIL MEMBERS

In the opinion of the directors,

- (a) the accounts are drawn up so as to give a true and fair view of the state of affairs of the Company as at 30 September 2010 and of the results of the business and cash flows of the Society for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Society will be able to pay its debts as and when they fall due.

On behalf of the Council Members

  
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PRESIDENT

  
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HONORARY TREASURER

Singapore

29 NOV 2010



**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF S.E.A. PETROLEUM EXPLORATION SOCIETY**

We have audited the accompanying balance sheet as at 30 September 2010, the income and expenditure statement and cash flow statement for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

*Management's Responsibility for the Accounts*

Management is responsible for the preparation and fair presentation of these accounts. This responsibility includes:

- (a) selecting and applying appropriate accounting policies; and
- (b) making accounting estimates that are reasonable in the circumstances.

*Auditor's Responsibility*


Our responsibility is to express an opinion on these accounts based on our audit. We conducted our audit in accordance with the 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 accounts are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the accounts. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the accounts.

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 accounts are properly drawn up in accordance with the Society's accounting policies.

  
 SINGAPORE ASSURANCE PAC  
 Public Accountants and  
 Certified Public Accountants

Singapore

29 NOV 2010

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
(Incorporated in the Republic of Singapore)

**BALANCE SHEET**  
**AS AT 30 SEPTEMBER 2010**

	<u>Note</u>	<u>2010</u> S\$	<u>2009</u> S\$
<b>Non-current asset</b>			
Plant and equipment	(3)	-	1,407
<b>Current assets</b>			
Fixed deposit	(4)	200,529	200,126
Cash at bank	(5)	<u>752,359</u>	<u>537,634</u>
		<u>952,888</u>	<u>737,760</u>
<b>Less: Current liabilities</b>			
Other payables	(6)	10,734	1,700
Provision for taxation		-	6,860
		<u>10,734</u>	<u>8,560</u>
<b>Net current assets</b>		<u>942,154</u>	<u>729,200</u>
<b>Net assets</b>		<u>942,154</u>	<u>730,607</u>
Represented by:			
Fund balances			
Members' funds		<u>942,154</u>	<u>730,607</u>

The accompanying notes form an integral part of these accounts.

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**INCOME AND EXPENDITURE STATEMENT  
FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

	<u>Note</u>	<u>2010</u> S\$	<u>2009</u> S\$
<b>INCOME</b>			
Memberships		81,222	40,421
Event and activities income	(7)	465,203	953,648
Corporate sponsorship		224,500	153,557
Fixed deposit interest		403	281
Jobs credit		1,350	900
		<u>772,678</u>	<u>1,148,807</u>
<b>EXPENDITURE</b>			
Additional meetings		136	533
Annual dinner		-	7,801
Audit fee		1,700	1,700
Bank charges		10,367	32,755
Cleaning services		3,360	3,360
Conference		-	7,330
Courier and postage		5,341	4,395
CPF contribution		7,632	7,377
Database management		1,349	3,656
Depreciation		1,407	1,406
Donation		90,000	75,000
Entertainment		9,944	9,554
Expenses for event and activities	(8)	296,311	753,718
Copier machine		3,595	8,554
GST charges		-	212
Insurance		5,283	1,080
IT support		-	881
Medical		-	550
Miscellaneous		15,572	9,105
Office rental		24,000	24,000
Printing & stationery		3,242	2,184
Professional fees		3,025	4,149
Seapex council meetings		2,656	3,207
Seapex T-shirt expenses		-	11,503
Staff payroll		51,840	47,425
Stamp duty		-	5,487
Telecommunication		5,290	5,192
Transportation		911	1,205
Travelling expenses		-	10,171
Utilities		447	515
Website maintenance		17,949	11,060
Worldpay charges		68	10,077
		<u>561,425</u>	<u>1,065,142</u>
Surplus before tax		211,253	83,665
Add: Income tax	(9)	294	32,933
Surplus after tax		<u>211,547</u>	<u>116,598</u>
Accumulated funds brought forward		730,607	614,009
Accumulated funds carried forward		<u>942,154</u>	<u>730,607</u>

The accompanying notes form an integral part of these accounts.

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**CASH FLOW STATEMENT**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

	<u>Note</u>	<u>2010</u>	<u>2009</u>
		S\$	S\$
<b>Cash flows from operating activities</b>			
Profit before tax		211,253	83,665
Adjustment for:			
Depreciation		1,407	1,406
Interest income		(403)	(281)
<b>Operating profit before working capital changes</b>		212,257	84,790
Increase/(decrease) in other payables		9,034	(279)
<b>Cash generated from operations</b>		221,291	84,511
Tax (paid)/received		(6,566)	25,688
<b>Net cash from operating activities</b>		214,725	110,199
<b>Cash flows from investing activity</b>			
Placement of fixed deposit		-	(119,478)
<b>Cash used in investing activity</b>		-	(119,478)
Net increase in cash and cash equivalents		214,725	(9,279)
Cash and cash equivalents at beginning of the financial year		537,634	546,913
Cash and cash equivalents at end of the financial year	(5)	752,359	537,634

The accompanying notes form an integral part of these accounts.

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**NOTES TO THE ACCOUNTS**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

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

**1. GENERAL**

The Society is established under the Societies Act.

The address of its registered office and the place of operation is 20 Upper Circular Road, The River Walk #01-06 Singapore 058416.

The objective and purposes of the Society are to:

- Advance the science of geology and related earth sciences for petroleum and gas exploration, development and production specifically in South East Asia
- Act as a body to improve awareness of oil and gas industry issues in the community
- Foster a spirit of scientific research
- Promote technologies for finding, developing and producing hydrocarbons
- Disseminate information related to petroleum geoscience
- Inspire a high standard of professional conduct

**2. SIGNIFICANT ACCOUNTING POLICIES**

*(a) Statement of compliance*

These accounts have been prepared in accordance with the Society's accounting policies.

*(b) Basis of accounting*

The accounts are expressed in Singapore dollar and prepared in accordance with the historical cost basis.

*(c) Revenue recognition*

(i) Service income

Revenue from the rendering of services are recognised when the services are rendered.

(ii) Membership

Revenue from membership is recognised on a straight line basis over the term of the membership.

(iii) Interest income

Interest income is recognised using the effective interest method.

(iv) Corporate sponsorship

Revenue from corporate sponsorship is recognised on a receipts basis.



**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**NOTES TO THE ACCOUNTS (CONT'D)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(d) *Depreciation of plant and equipment*

All items of plant and equipment are recorded at cost less accumulated depreciation and impairment if any. The cost of plant and equipment is depreciated on a straight-line method to write off the cost of the plant and equipment over their estimated useful lives. Management estimates the useful lives to be as follows:

Furniture and fittings	-	3 years
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Fully depreciated assets are retained in the accounts until they are no longer useable.

(e) *Income tax*

Income tax on the results for the financial year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income.

Current tax is the expected tax payable on the taxable income for the financial year, using tax rates enacted or substantively enacted at the statement of financial position date.

Deferred tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Temporary differences are not recognised for goodwill not deductible for tax purposes and for the initial recognition of assets or liabilities that affect neither accounting nor taxable profit. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

A deferred tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(f) *Financial instruments*

Financial instruments carried on the balance sheet include cash and cash equivalent and payables. The particular recognition methods adopted are disclosed in the individual policy statements associated with each item. These instruments are recognised when contracted for.

(g) *Cash and cash equivalents*

For the purpose of presentation in the cash flow statement, cash and cash equivalents include cash at bank which are subject to an insignificant risk of change in value.

**S.E.A. PETROLEUM EXPLORATION SOCIETY**  
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**NOTES TO THE ACCOUNTS (CONT'D)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

2. **SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**

(h) *Payables*

Liabilities for other amount payable, which are normally settled on 30 to 90 day terms, are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method.

Gain and losses are recognised in the income and expenditure statement when the liabilities are derecognised as well as through the amortisation process.

(i) *Provisions*

Provisions are recognised when the Society has a present obligation as a result of a past event where it is probable that the obligation will result in an outflow of economic benefit that can be reasonably estimated.

3. **PLANT AND EQUIPMENT**

	<u>Furniture and fitting</u>	<u>Total</u>
	S\$	S\$
<u>Cost</u>		
As at 30/9/2009	4,220	4,220
As at 30/9/2010	4,220	4,220
<u>Accumulated depreciation</u>		
As at 1/10/2008	1,407	1,407
Depreciation for the year	1,406	1,406
As at 30/9/2009	2,813	2,813
Depreciation for the year	1,407	1,407
As at 30/9/2010	4,220	4,220
<u>Net book value</u>		
As at 30/9/2010	-	-
As at 30/9/2009	1,407	1,407

4. **FIXED DEPOSIT**

The fixed deposit will mature 2 months after the financial year end and earns interest of 0.15% (2009: 0.25%) per annum.

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**NOTES TO THE ACCOUNTS (CONT'D)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

**5. CASH AT BANK**

Cash at bank are denominated in the following currencies as at 30 September:

	<u>2010</u>	<u>2009</u>
	S\$	S\$
Singapore dollar	719,557	510,149
United States dollar	32,802	27,485
	<u>752,359</u>	<u>537,634</u>

**6. OTHER PAYABLE**

	<u>2010</u>	<u>2009</u>
	S\$	S\$
Accruals	<u>10,734</u>	<u>1,700</u>

**7. EVENT AND ACTIVITIES INCOME**

	<u>2010</u>	<u>2009</u>
	S\$	S\$
Event	245,570	809,932
Seapex course fee	55,600	37,000
Enterprise activities	33,910	-
Forum and talks	41,235	4,464
Mechandise sales	394	-
Miscellaneous	27,644	11,942
Seapex golf	24,800	1,440
Seapex press advertisement	36,050	80,380
Worldpay	-	8,490
	<u>465,203</u>	<u>953,648</u>

**8. EXPENSES FOR EVENT AND ACTIVITIES**

	<u>2010</u>	<u>2009</u>
	S\$	S\$
Discretionary spending	29,524	-
Enterprise activities	31,426	-
Event expenses	14,651	587,241
Forum and talk	66,726	24,066
Miscellaneous	4,203	-
Press advertisement	62,600	73,335
Scout check	12,017	-
Seapex course fees	54,643	59,721
Seapex golf	20,521	9,355
	<u>296,311</u>	<u>753,718</u>

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**NOTES TO THE ACCOUNTS (CONT'D)**  
**FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2010**

9. **INCOME TAX**

	<u>2010</u>	<u>2009</u>
	S\$	S\$
Current year's provision	-	160
Prior years' - overprovision	(294)	(33,092)
	(294)	(32,932)

10. **COMPARATIVE FIGURES**

The following is reclassification of comparative figures in prior year to enhance comparability with current year's financial statements:

	<u>Restated</u>	<u>Previously stated</u>
	S\$	S\$
Event and activities income	953,648	-
Event	-	809,932
Seapex course fee	-	37,000
Forum and talks	-	4,464
Miscellaneous	-	11,942
Seapex golf	-	1,440
Seapex press advertisement	-	80,380
Worldpay	-	8,490
	953,648	953,648
Courier and postage	4,395	-
Courier	-	4,392
Postage	-	3
	4,395	4,395
Website maintenance	11,060	6,697
Website management	-	4,363
	11,060	11,060
Expenses for events and activities	753,718	-
Event expenses	-	587,241
Forum and talk	-	24,066
Press advertisement	-	73,335
Seapex course fees	-	59,721
Seapex golf	-	9,355
	753,718	753,718